

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

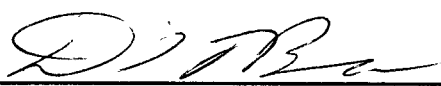
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000


1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. ---
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. River Junction 8-33
2. Name of Operator Robert D. Cannon		9. API Well No. 43047-34185
3a. Address PO Box 2086, Rock Springs, WY 82902	3b. Phone No. (include area code) 307-382-9465	10. Field and Pool, or Exploratory River Junction
4. Location of Well (Report location clearly and in accordance with any State Requirements. *) At surface 2,024' FSL 1,802' FEL NW 1/4 SE 1/4 4432717 N 611982 E At proposed production zone Same		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 8 T 9S R 20E
14. Distance in miles and direction from nearest town or post office. * ±4 miles south of Ouray, Utah		12. County or parish Uintah
		13. State Utah
15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) 856'	16. No. of acres in lease 80.0	17. Spacing Unit dedicated to this well (40 acre)
18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. ± 949'	19. Proposed depth 6,000'	20. BLM/BIA Bond No. on file UT-1224
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,757' GR	22. Approximate date work will start * July 20, 2001	23. Estimated duration 45-60 days drlg + completion

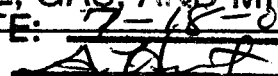
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. Signature 	Name (Printed/Typed) David F. Banko	Date July 6, 2001
Title Agent for Robert D. Cannon		

Approved by (Signature) 	Name (Printed/Typed) David F. Banko	Date July 6, 2001
Title Agent for Robert D. Cannon	Office Agent for Robert D. Cannon	

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 7-18-01
BY: 

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

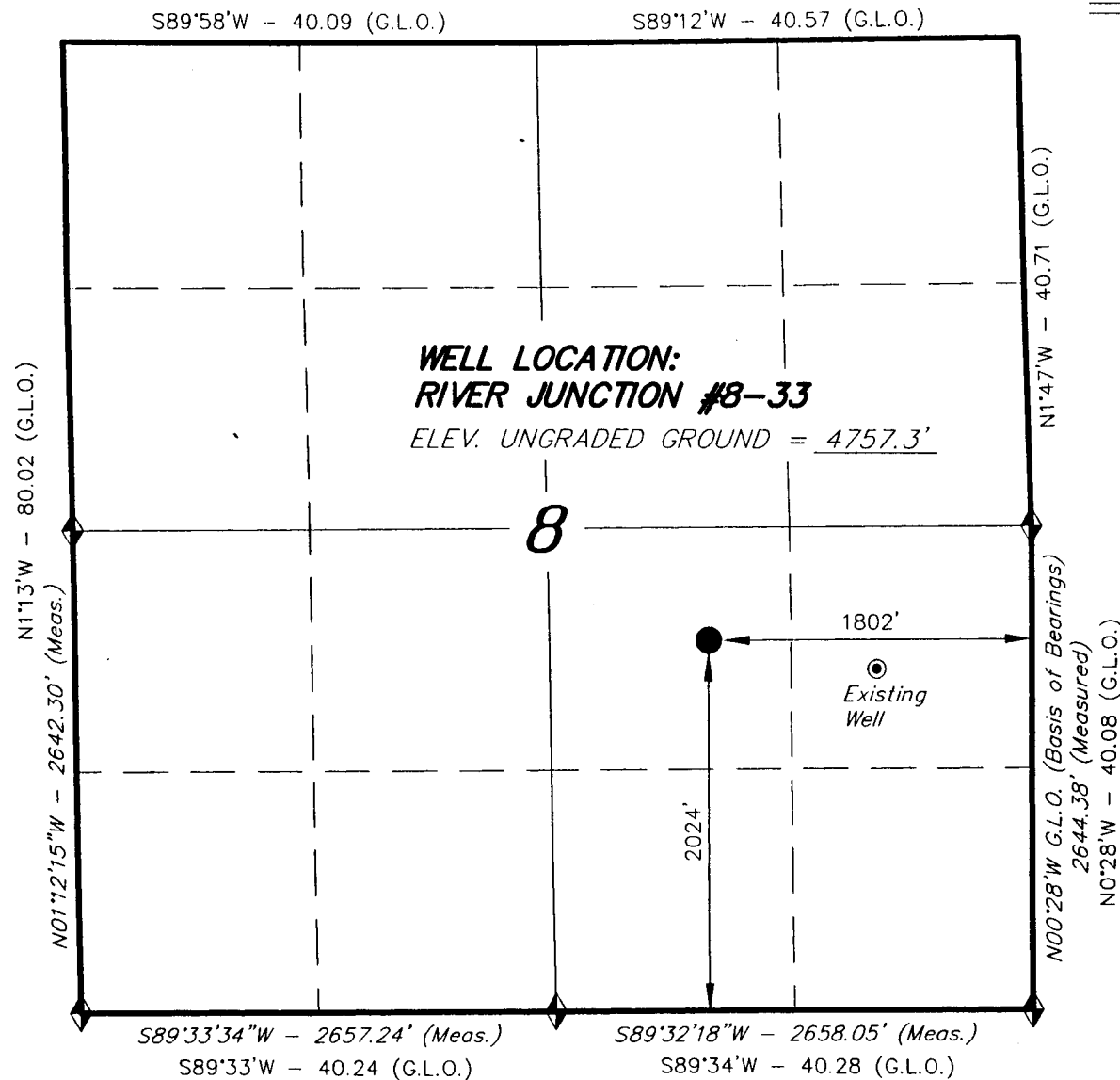
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Federal Approval of this
Action is Necessary

RECEIVED
JUL 9 2001
DIVISION OF
OIL, GAS AND MINING

T9S, R20E, S.L.B.&M.

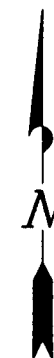
ROBERT D. CANNON



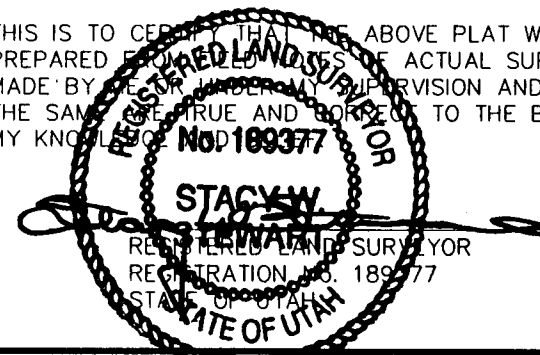
WELL LOCATION, RIVER JUNCTION
#8-33, LOCATED AS SHOWN IN THE
NW 1/4 SE 1/4 OF SECTION 8, T9S,
R20E, S.L.B.&M. UINTAH COUNTY,
UTAH.

NOTE:

An existing well in the NE 1/4 SE 1/4 of
Section 8 bears S80°46'23"E 949.0' from
the proposed well location.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM THE RESULTS OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



TRI STATE LAND SURVEYING & CONSULTING
38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 5-10-01	WEATHER: WARM
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED (1968 Brass Cap)
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (OURAY)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

July 13, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2001 Plan of Development River Junction Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the River Junction Unit, Uintah County, Utah.

Api Number	Well	Location
------------	------	----------

(Proposed PZ Green River)

43-047-34184	River Junction 8-24	Sec. 8, T9S, R20E 0854 FSL 1806 FWL
43-047-34185	River Junction 8-33	Sec. 8, T9S, R20E 2024 FSL 1801 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - River Bend Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:7-13-1

Lima Corolova

B A N K O
PETROLEUM
MANAGEMENT INC.

FEDERAL EXPRESS

Mr. Ed Forsman
Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, UT 84078

July 6, 2001

RE: Application For Permit To Drill
Robert D. Cannon
River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

Dear Mr. Forsman,

Enclosed please find four (4) original copies of the Application for Permit to Drill (APD) the above-referenced well, filed on behalf of Robert D. Cannon (Cannon). Additionally, copies were sent to the Utah Division of Oil, Gas, and Mining (UDOGM). Additional copies were sent directly to the Bureau of Indian Affairs (BIA) in Fort Duschesne, Utah. Please send one approved copy of this APD directly to Cannon in Rock Springs and retain one in your office to be picked up by the operator's wellsite representative.

This Application for Permit to Drill is filed under the NOS process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,



David F. Banko
Agent for Robert D. Cannon

DFB:klb

Enclosures

cc: Utah Division of Oil, Gas, and Mining
Robert D. Cannon

RECEIVED

JUL 10 2001

DIVISION OF
OIL, GAS AND MINING

**United States Department of the Interior****BUREAU OF INDIAN AFFAIRS****Uintah and Ouray Agency****P. O. Box 130****988 South 7500 East****Fort Duchesne, Utah 84026-0130****Phone: (435) 722-4300****Fax: (435) 722-2323****IN REPLY REFER TO:****Minerals and Mining****Phone: (435) 722-4310****Fax: (435) 722-2809****May 17, 2001****Banko Petroleum Management, Inc.****Attn: Ms. Kathy L. Schneebeck****9285 Teddy Lane, Suite 100****Lone Tree, Colorado 80124-5475****Dear Ms. Schneebeck:**

This office is now ready to schedule on-sites for wells that have been issued for permission to surveys. We have scheduled on-sites for the wells that were listed on your letter of request dated May 10, 2001.

On-Site Date: **Wednesday, May 30, 2001 @ 9:00 a.m.**

- | | | | |
|------------------------|------|-----------|----------|
| 1. River Junction 8-24 | SESW | Section 8 | T9S-R20E |
| 2. River Junction 8-33 | NWSE | Section 8 | T9S-R20E |

PLEASE NOTE: NO CHANGES WILL BE MADE TO THIS LIST, any changes will result in re-submitting your request and on-site date re-scheduled. NO CHANGES TO ROW after on-site will be accepted. If changes must be made, this will result in re-submitting and re-scheduling. The company is responsible for notifying BLM and the Ute Indian Tribe to make sure they can attend the scheduled on-site date.

Prior to the on-site date, please provide this office with the Archaeology Report. After the on-site is completed, please prepare and submit your signed applications for the Right-of-Ways, 1 original mylar, 2 mylar copies, and payment for the surface damage fee.

If you have any questions, please call at (435) 722-4310. Thank you.

Sincerely,

Real Estate Services
For Superintendent

Robert D. Cannon
River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

DRILLING PROGRAM
(Per Onshore Orders No. 1 & No. 2)

This Application for Permit to Drill is filed under the NOS process as stated in Onshore Order No. 1 and supporting Bureau of Land Management documents. This NOS process included on-site meetings on May 30, 2001, prior to the submittal of the application, at which time the specific concerns of Robert D. Cannon and the Bureau of Land Management (BLM) were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

SURFACE FORMATION – Uinta - Fresh water possible above 250'.

SURFACE ELEVATION – 4,757'

ESTIMATED FORMATION TOPS - (Water, oil, gas and/or other mineral-bearing formations)

Parachute Creek	3,128'	Sandstone, shales & siltstones, some water bearing
Garden Gulch	3,375'	Sandstone, limestone dolomite, shales & siltstones, some water bearing
Douglas Creek	4,121'	Sandstone, dolomite, shales & siltstones, gas, oil, and/or water bearing
Green River	5,168'	Sandstone, shales & siltstones, gas, oil, and/or water bearing
TOTAL DEPTH	6,000'	

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and protected.

CASING PROGRAM

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 300'	12-1/4"'''	8-5/8"	24# J-55 ST&C New	To surface (±175 sxs "G")
0' – TD	7-7/8"	5-1/2"	15.5# J-55 ST&C New	TD to 3,000' (±600 sxs 50/50/4 poz)*

* Actual cement volume to be determined by caliper log.

Yields: "G" yield = 1.15 ft³/sx
50/50/4 poz yield = 1.55 ft³/sx

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and protected.

PRESSURE CONTROL (See attached schematic diagram)

BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1,500 psi, whichever is greater, not to exceed 70% of internal yield.

Statement on Accumulator System and Location of Hydraulic Controls

The drilling rig has not yet been selected for this well. Selection will take place after approval of this application. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 2,000 psi systems.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.

MUD PROGRAM

0' - 300'	Spud mud
300' - TD	Low solids non-dispersed mud
	M.W. 8.8 - 9.4 ppg
	Vis - 26-30 sec
	W.L. 14 cc or less

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

AUXILIARY EQUIPMENT

- A) Upper kelly cock, lower kelly cock will be installed while drilling.
- B) Inside BOP or stab-in valve (available on rig floor).
- C) Safety valve(s) and subs to fit all string connections in use.
- D) Mud monitoring will be visually observed.

LOGGING, CORING TESTING PROGRAM

- A) Logging: DIL-GR-SP: TD - base of surface casing
CNL-FDC-GR: TD - 3,000' (GR to surface)
- B) Coring: None planned.
- C) Testing: Drill stem tests may be run on shows of interest.

ABNORMAL CONDITIONS

- A) Pressures: No abnormal conditions are anticipated.
Green River Formation pressure gradient: 0.44 psi/ft.
Douglas Creek Formation pressure gradient: 0.44 psi.
- B) Temperatures: No abnormal conditions are anticipated.
- C) H₂S: None anticipated.
- D) Estimated bottomhole pressure: 1,848 psi at 4,200'
2,640 psi at TD

ANTICIPATED START DATE

July 20, 2001

COMPLETION

The location pad will be of sufficient size to accommodate all completion activities and equipment. A string of 2-3/8" 4.7# J-55 for a flowing string, or 2-7/8" 6.5# J-55 tubing will be run for a flowing/pumping string. A Sundry Notice will be submitted with a revised completion program if warranted.

River Junction 8-33
 2,024' FSL 1,802' FEL (NW /4 SE /4)
 Sec. 8 T 9S R 20E
 Uintah County, Utah
 U-0125822

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 6,000 '
 Proposed Depth of Surface Casing: 300 '
 Estimated Pressure Gradient: 0.44 psi/ft
 Bottom Hole Pressure at 6,000 '
 $0.44 \text{ psi/ft} \times 6,000' = 2,640 \text{ psi}$
 Hydrostatic Head of gas/oil mud: 0.22 psi/ft
 $0.22 \text{ psi/ft} \times 6,000' = 1,320 \text{ psi}$

Maximum Design Surface Pressure

Bottom Hole Pressure – Hydrostatic Head =
 $(0.44 \text{ psi/ft} \times 6,000') - (0.22 \text{ psi/ft} \times 6,000') =$
 $2,640 \text{ psi} - 1,320 \text{ psi} = 1,320 \text{ psi}$

Casing Strengths 8-5/8" 24# J-55 ST&C New

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
24 #	244,000	2,950	1,370
32 #	372,000	3,930	2,530

Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): $24 \text{ # / ft} \times 300' = 7,200 \text{ #}$
 Safety Factor = $\frac{244,000}{7,200} = 33.89$ ok

Burst: Safety Factor = $\frac{2,950 \text{ psi}}{1,320 \text{ psi}} = 2.23$ ok

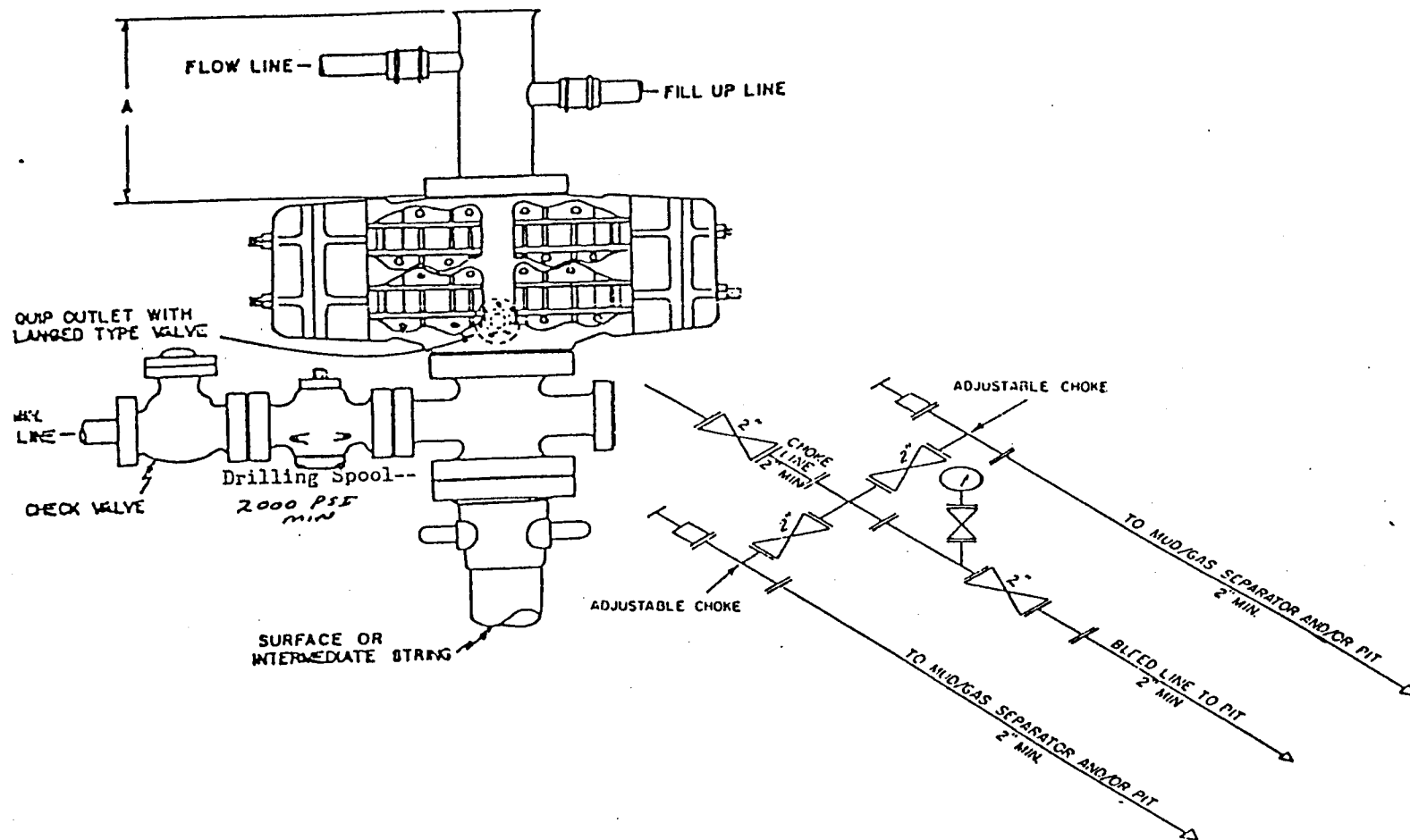
Collapse: Hydrostatic = $0.052 \times 9.0 \text{ ppg} \times 300' = 140 \text{ psi}$
 Safety Factor = $\frac{1,370 \text{ psi}}{140 \text{ psi}} = 9.76$ ok

Use 300' 8-5/8" 24# J-55 ST&C New

Use 2,000 psi minimum casinghead and BOP's

Centralizers 5 Total
 2 middle of bottom joint, second joint, third joint
 3 every other joint ±80'
 Total centralized ± 300'

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BLOWOUT PREVENTER

9-10 Inch 2000 psi MINIMUM

CEMENT CALCULATIONS - Surface Casing

1. Determine how much volume needs to be cemented (annular space)

From Halliburton book (page 86-87, Section 1) for csg size (OD=8-5/8") and hole diameter of	12-1/4"	0.413 ft ³ /lin ft
Surface csg depth	300'	
Total volume to be cemented	123.81 ft ³	
Increase volume 50% to account for irregularities in hole	198.10 ft ³	

2. Calculate the volume taken up by "x" sxs "G" cement

Estimate # sxs "G" cement	175 sxs
From Halliburton book (Page 68, Section V) 0% bentonite	1.15 ft ³ /sxs
Volume of "G" cement	201.25 ft ³

3. Calculate remaining volume for "lite" cement

Volume of lite cement	-3.15 ft ³
-----------------------	-----------------------

4. Calculate number of sxs "lite" cement required to fill volume in #3

From Halliburton book (Page 75, Section V) 0% bentonite	1.63 ft ³ /sxs
Sxs lite	-2 sxs

CEMENT CALCULATIONS - Production Casing

1. Determine how much volume needs to be cemented (annular space)

From Halliburton book (page 68-69, Section 1) for csg size (OD=5-1/2") and hole diameter of	7-7/8"	0.103 ft ³ /lin ft
Total depth	6,000'	
Height of cement	0'	
Height to be cemented	6,000'	
Total volume to be cemented	615.60 ft ³	
Increase volume 50% to account for irregularities in hole	923.40 ft ³	

2. Calculate the volume taken up by "x" sxs "50/50/4 poz" cement

Estimate # sxs "H" cement	600 sxs
From Halliburton book (Page 68, Section V) 0% bentonite	1.55 ft ³ /sxs
Volume of "H" cement	930.00 ft ³

3. Calculate remaining volume for "lite" cement

Volume of lite cement	-6.60 ft ³
-----------------------	-----------------------

4. Calculate number of sxs "lite" cement required to fill volume in #3

From Halliburton book (Page 75, Section V) 0% bentonite	1.63 ft ³ /sxs
Sxs lite	-4 sxs

Robert D. Cannon
River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822
SURFACE USE PLAN

WELL LOCATION AND INTRODUCTION:

The proposed location was 2,024' FSL 1,802' FEL of Sec. 8. The wellsite was surveyed and staked on May 10, 2001 by Tri-State Land Surveying and Consulting, on a site that was geologically, topographically, and legally acceptable. An on-site meeting was held on May 30, 2001. Present at the on-site meeting were: Greg Darlington – BLM, Vernal, Utah; Manuel Myore – Bureau of Indian Affairs (BIA); Ferron Secakuku and Alvin Ignacio – Ute Indian Tribe, Energy Department; Keith Dana – Agent for Robert D. Cannon.

Specific stipulations arising from the on-site meeting are shown as starred (*).

The BLM – Vernal, Utah (435-781-4400, Mr. Ed Forsman) and the Ute Tribe (435-722-5141, Mr. Ferron Secakuku) will be notified 48 hours prior to commencing construction of the drillsite and 48 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION:

From Vernal, Utah, travel southwest on US Highway 40 for ±13.5 miles to Utah Highway 88; turn south (left) on Highway 88 for ±18 miles to Ouray, Utah; continue through Ouray; continue ±2.75 miles south on Highway 88 to an existing gravel resource road. Turn right and travel south 0.25 miles to the new construction on two-track trail. Turn left (east) on the two track and continue for ±1,086' to the proposed location.

1) EXISTING ROADS within 1 mile:

- A) The well is development well.
- B) Existing roads within 0.5 miles of the location consist of Utah State Highway 88.

2) PLANNED ACCESS ROADS

±822' of two-track trail to be upgraded
±264' of new construction on lease
±1,086' of total new construction

- A) Running surface width to be approximately 16', total disturbed width to be no more than 40'.
- B) Borrow ditches to be backsloped 3:1 or shallower.
- C) Maximum grades 3% for 200'.
- D) Drainage to consist of borrow ditches on both sides. Note that on occasion low spots develop which weren't apparent. If necessary, low water crossings will be used during drilling, as conditions dictate. Upon well completion as a producer, crossings will be upgraded with 18" x 30' corrugated metal pipes and/or gravel bottomed low water crossings will be installed. Culvert sizes, if installed, to be a minimum of 18" diameter.
- E) Surfacing material to consist of native material from borrow ditches, topsoil will be buried in road crown.
- F) No major road cuts are necessary.
- G) Fence cuts, gates, and cattle guards will not be required.

3) LOCATION OF EXISTING WELLS

Within a one-mile radius:

Proposed	See attached Table 1
Drilling	See attached Table 1
Abandoned	See attached Table 1
Disposal/injection	See attached Table 1
Shut-in	See attached Table 1
Producing	See attached Table 1

COMMUNITIZED AREA WELLS: See attached Table 2

4) LOCATION OF EXISTING PRODUCING FACILITIES OPERATED BY Robert D. Cannon

Within a one-mile radius: See attached Table 1

NEW PRODUCTION FACILITIES PROPOSED

- A) The proposed production facilities will be located on the existing pad. Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area; backsloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for reclamation of surface for details (Paragraph 10: Surface Preparation). Production facilities will be located on the disturbed portion of the well pad a minimum of 10' from the reclaimed slope. Construction material needed for installation of the production facilities will be obtained from the site.
- B) Dimension of proposed facility is 200' x 175' to and after rehabilitation.
- C) There are no existing facilities that will be utilized for this well.
- D) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- E) Per Surface Management Agency (SMA) stipulations, all above ground permanent structures will be painted to blend with the surrounding landscape. The color which will be used is Munsell Color Reference Number, Carlsbad Canyon (2.5Y 6/2). This meets operator request that production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons.
- * F) Production "pits" to be a steel or fiberglass tank. An open top tank may be used.
- G) No facilities will be constructed off location.
- H) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded. Refer to plans for restoration of surface for additional details.
- I) Tank batteries shall be surrounded by an impervious dike of sufficient size to hold 110% the capacity of the largest tank in the battery.
- * J) Open top tanks, which contain oil, if used, will be overhead netted.

5) LOCATION OF WATER SUPPLY

Water will be obtained from an existing commercial water supply in the town of Ouray, Sec. 32 T4S R3E. Trucks will be used to transport drilling water to location.

6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials, will be obtained from available permitted sources, if needed, and consist of pit gravel.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in reserve pit when dry.
- B) Drilling fluid will be evaporated, and then buried in the reserve pit when dry.
- C) Produced fluid will be contained in test tanks during completion and testing.
- D) Sewage disposal facilities will be chemical toilets and will be in accordance with state and local regulations. Sewage may not be buried on location or put in a borehole. Utah Department of Environmental Quality (UDEQ) Regulations prevent this unless a UDEQ Permit is obtained.
- E) Garbage and other waste: burnable waste will be contained in a portable trash cage, which will be totally enclosed with small mesh wire. Cage and contents will be transported to and trash dumped at a UDEQ approved sanitary landfill upon completion of operations.
- F) Trash will be picked up if scattered and contained in trash cage as soon as practical after rig is moved off.
- G) Reserve pit will be fenced "stock tight" on three sides during drilling operations, and on fourth side at time of rig release. Pit will remain fenced until backfilled.
- H) Upon release of the drilling rig, rathole and mousehole will be filled. Debris and excess equipment will be removed.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9) WELLSITE LAYOUT

- A) See attached drillsite plat and cut/fill diagram.
- B) The reserve pit will be lined with a synthetic liner 10 mil or thicker.

10) SURFACE PREPARATION

- A) Topsoil will be removed prior to location construction from all disturbed areas. Topsoil depth to be removed is 6" as stipulated by SMA.
- B) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste and spoils materials will be buried immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.
- C) The soil-banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula by SMA. Revegetation is recommended for road area as well as around drill pad.
- D) The rehabilitation will begin after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in fall, unless requested otherwise.

- E) Seed mixture for this location will be determined by the SMA. A suggested seed mixture is:
 3#/acre PLS – Thickspike wheat grass
 3#/acre PLS – Western wheatgrass
 1#/acre PLS – Gardner saltbrush
 2#/acre PLS – Indian rice grass
2#/acre PLS – Annual rye grass
 11#/acre PLS - TOTAL
- F) Seeding will be done during fall planting season, September 15 through first frost.
- G) Topsoil shall be spread evenly over all areas to be reclaimed.
- H) Prior to abandonment of the wellsite and new access road, a joint inspection of the disturbed area will be held. This inspection will be held to review the reclamation plan.
- I) Weeds shall be controlled on disturbed areas within the exterior limits of the wellsite and access road. The control methods shall be in accordance with guidelines established by the EPA, SMA, state and local authorities.

11) GENERAL INFORMATION

- A) Project area is situated in the Green River drainage basin 1.5 miles south of the confluence of the White River and the Green River.
- B) Topographic and geologic features – alluvial deposits and rocky outcrops.
- C) Soil characteristics - clay loam.
- D) Flora consists of Desert Lily, Geranium, Greasewood, Matchbrush, Phlox, Prickly Pear, Rocky Mountain beeplant, Rubber rabbitbrush, Shadscale saltbrush, Spiny horsebrush, Blue grama, Bluegrass, Cheatgrass, Indian ricegrass, Needle and Thread, and Thickspike wheatgrass.
- E) Fauna - none observed, assume antelope and mule deer.
- F) Concurrent surface use - grazing and hunting.
- G) Mineral Lessor – Bureau of Land Management
- H) Surface Owner: BIA/Ute Indian Tribe
 Drillsite- BIA/Ute Indian Tribe
 PO Box 70
 Ft. Duchesne, UT 84026
 435-722-5141
 Access – BIA/Ute Indian Tribe
- I) Proximity of water, occupied dwellings or other features – Green River 1.0 miles north of location.
- J) Archaeological, cultural and historical review has been conducted by Montgomery Archaeological Consultants and submitted separately on May 16, 2001.
- K) Construction activity shall not be conducted using frozen or saturated soil material or during periods when significant watershed damage (e.g., rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur
- L) The operator shall be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be limited or suspended in specific areas.
- M) Unless otherwise exempted, free and unrestricted public access shall be maintained on the lease and associated rights-of-way.
- N) Facilities approved by the APD that are no longer included within the lease, due to a change in the lease or unit boundary, shall be authorized with a right-of-way.

O) Historic, Cultural, and Paleontological Resources

The operator shall be responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator shall suspend all operations that further disturb such materials and immediately contact the authorized officer. Operations shall not resume until written authorization to proceed is issued by the authorized officer.

Within five (5) working days, the authorized officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

P) Hazardous Materials

Cannon maintains a file, per 29 CFR 1910.1200(g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be transported across these lands may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous substances, EHS, and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE:Operator

Robert D. Cannon
348 Turrett Drive
PO Box 2086
Rock Springs, WY 82902
(307) 382-9465
(307) 362-7220 - Fax

Permit Agent

Banko Petroleum Management, Inc.
9285 Teddy Lane, Suite 100
Lone Tree, CO 80124-5475
(303) 820-4480

+ David F. Banko - Agent
(303) 820-4480
e-mail: *david@banko1.com*

* Keith Dana - Range Mgmt. Consultant
(307) 389-8227 - mobile
(307) 832-5822 - home
e-mail: *krlcdana@fascination.com*

+ Kathy Schneebeck
(303) 820-4480
e-mail: *kathys@banko1.com*

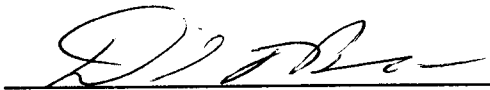
- * Contact to arrange on-site meeting
- + Contact with any questions or comments regarding this permit.

13) CERTIFICATION:

I hereby certify that Robert D. Cannon is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Robert D. Cannon under their nationwide bond, BIA Bond UT-1224

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan area, to the best of my knowledge, are true and correct; and that the work associated with the operations proposed herein will be performed by Robert D. Cannon and its contractors and sub-contractors in conformity with this plan and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

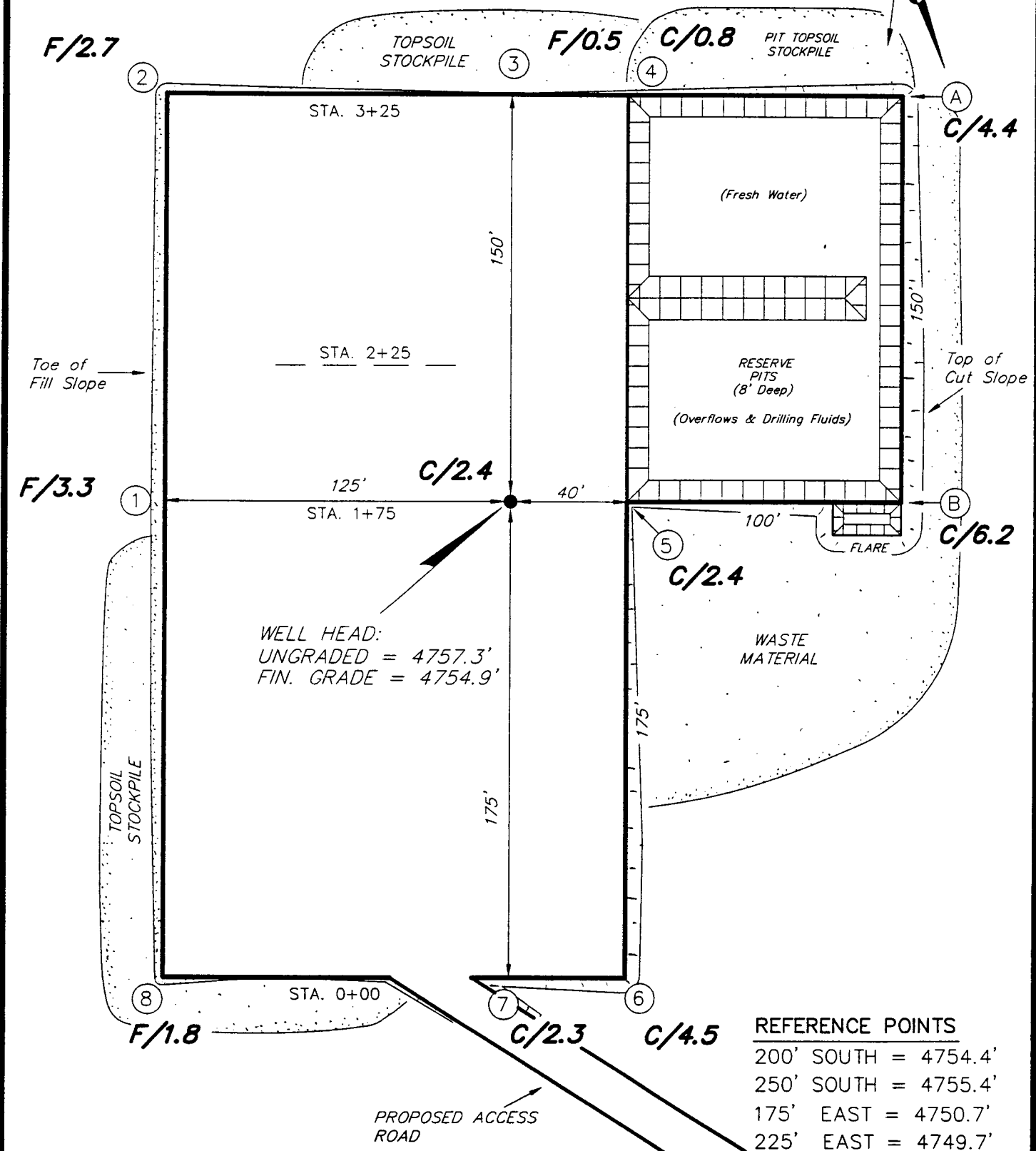
July 6, 2001



David F. Banko
Agent for Robert D. Cannon

ROBERT D. CANNON

RIVER JUNCTION #8-33
SEC. 8, T9S, R20E, S.L.B.&M.



REFERENCE POINTS

200' SOUTH = 4754.4'
250' SOUTH = 4755.4'
175' EAST = 4750.7'
225' EAST = 4749.7'

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

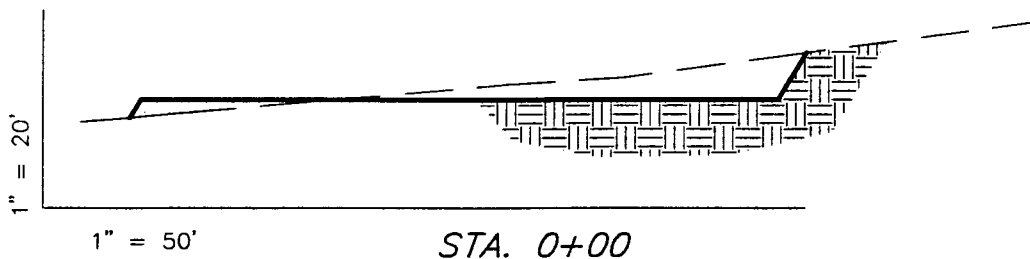
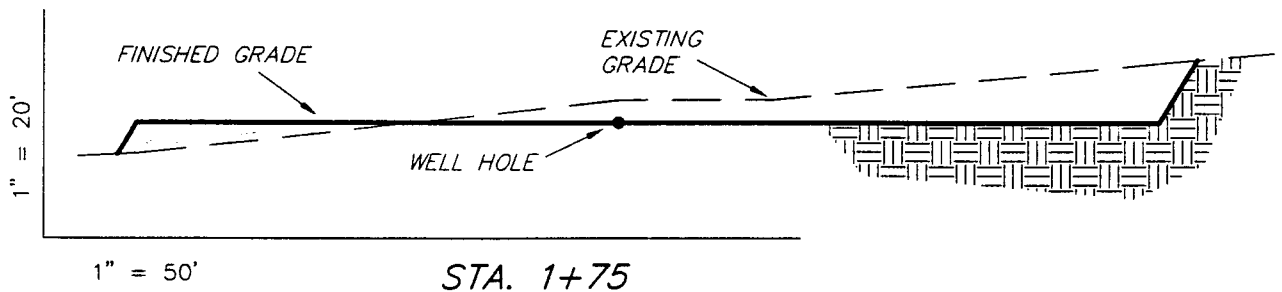
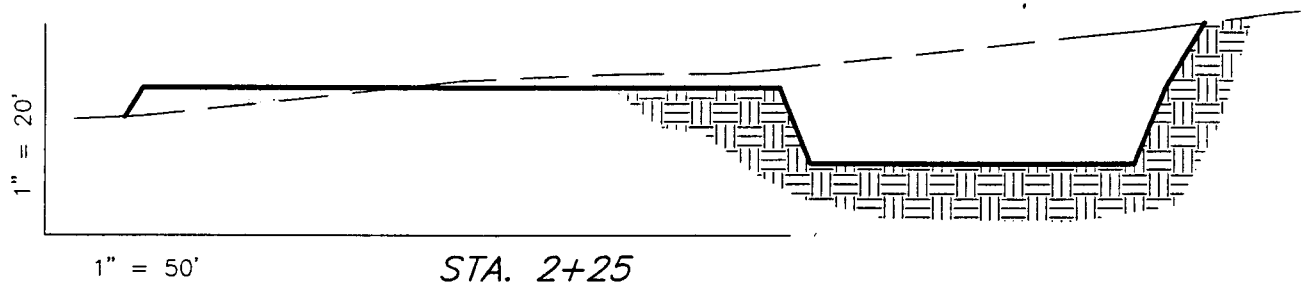
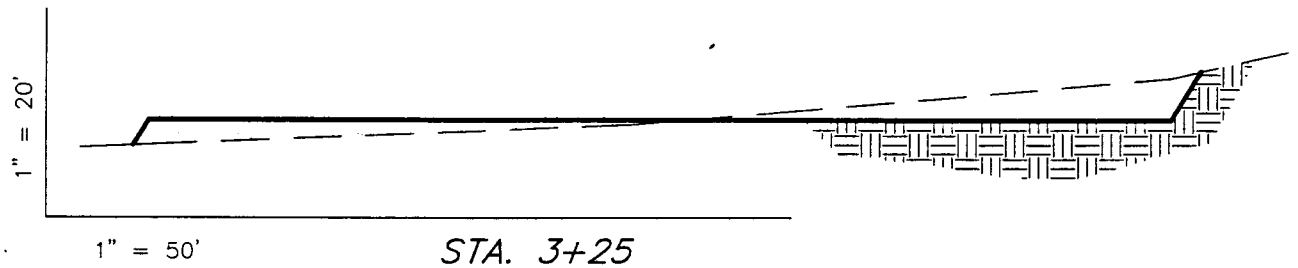
DATE: 5-10-01

Tri State
Land Surveying, Inc.

(435) 781-2501


38 WEST 100 NORTH VERNAL, UTAH 84078

ROBERT D. CANNON
CROSS SECTIONS
RIVER JUNCTION #8-33

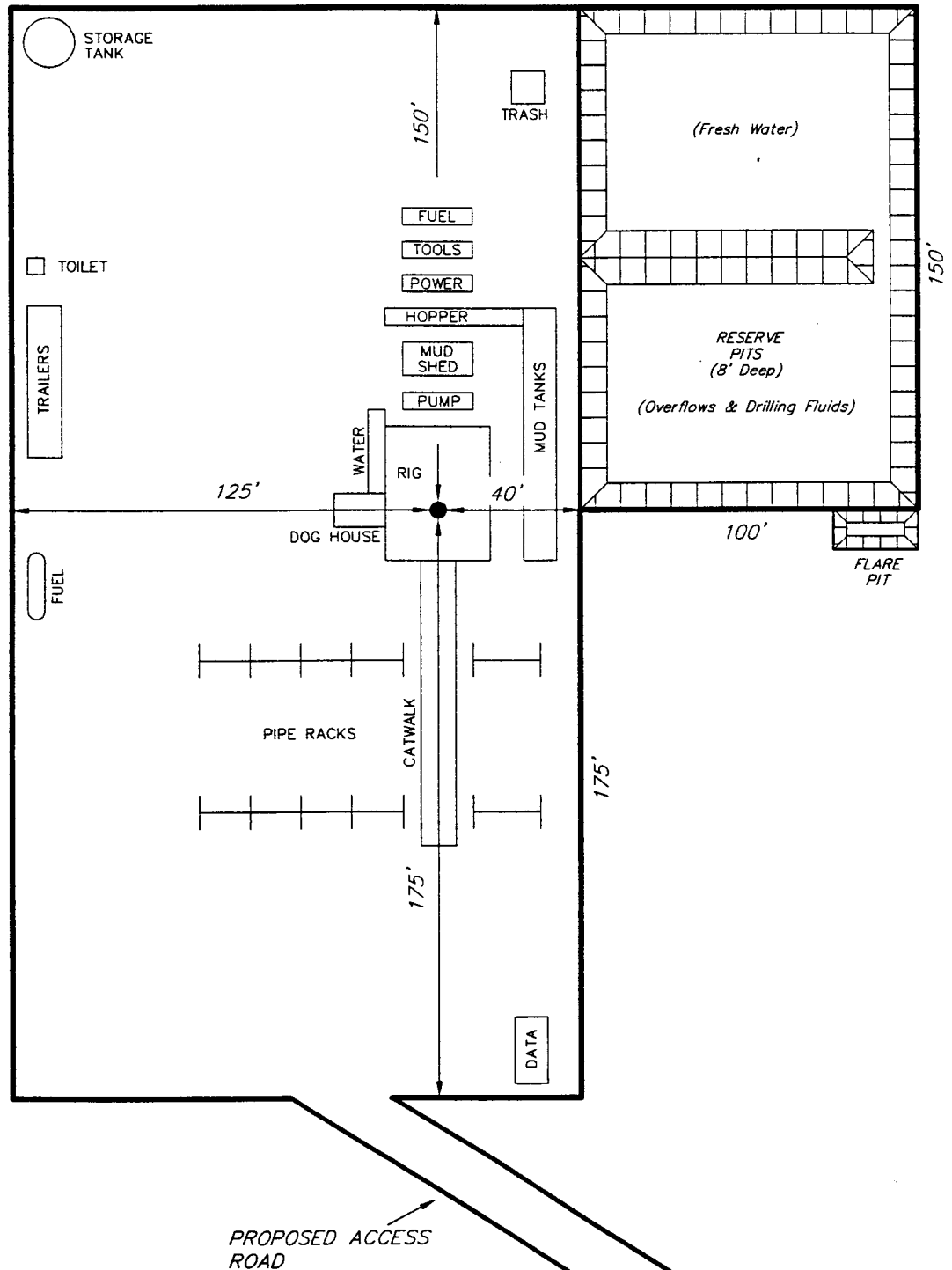


APPROXIMATE YARDAGES

CUT = 2,670 Cu. Yds.
 FILL = 2,670 Cu. Yds.
 PIT = 3,680 Cu. Yds.
 12" TOPSOIL = 2,540 Cu. Yds.

SURVEYED BY: D.J.S.	SCALE: 1" = 50'	 Tri State Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078	(435) 781-2501
DRAWN BY: J.R.S.	DATE: 5-10-01		

ROBERT D. CANNON
TYPICAL RIG LAYOUT
RIVER JUNCTION #8-33



SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 5-10-01

Tri State
Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078
 (435) 781-2501

TABLE 1
Wells Within a 1-mile Radius

T9W R20E
Uintah County, Utah
River Junction 8-24

API Well Number	Operator	Well Name	Well Type	Well Status	Sec.	Qtr/Qtr
43-047-31360-00-00	BOOKCLIFF OPERATING INC	RIVER JUNCTION 16-7	Oil Well	Producing Well	7	SESE
43-047-33884-00-00	EOG RESOURCES INC	DC 85-8	Gas Well	Approved permit (APD); not yet spudded	8	NWSW
43-047-30985-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 56-8GR	Oil Well	Location Abandoned	8	SWNE
43-047-30984-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 57-8GR	Oil Well	Location Abandoned	8	SENW
43-047-31019-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 58-8GR	Oil Well	Location Abandoned	8	NWSW
43-047-30986-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 59-8GR	Oil Well	Location Abandoned	8	SWSW
43-047-31321-00-00	EOG RESOURCES INC	DUCK CREEK 63-8	Gas Well	Producing Well	8	SESW
43-047-30784-00-00	RIM OPERATING INC	DUCKCREEK 26-8GR	Oil Well	Producing Well	8	NESE
43-047-30807-00-00	GAS & OIL MANAGEMENT INC	DUCKCREEK 41-8GR	Unknown	Plugged and Abandoned	8	SENE
43-047-31038-00-00	BAR MESA RESOURCES INC	DUCKCREEK 51-8GR	Oil Well	Shut_In	8	SESE
43-047-20167-00-00	MCCOLLUM, JACK M	RIVER JUNCTION FED 3	Unknown	Plugged and Abandoned	8	SWNW
43-047-15766-00-00	ROBERT CANNON	RIVER JUNCTION U 1	Oil Well	Producing Well	8	NESW
43-047-15767-00-00	ROBERT CANNON	RIVER JUNCTION U 2	Oil Well	Shut_In	8	SWSE
43-047-33891-00-00	EOG RESOURCES INC	DC 102-9	Gas Well	Approved permit (APD); not yet spudded	9	SWSE
43-047-33883-00-00	EOG RESOURCES INC	DC 82-9	Gas Well	Approved permit (APD); not yet spudded	9	SWNE
43-047-33885-00-00	EOG RESOURCES INC	DC 91-9	Gas Well	Approved permit (APD); not yet spudded	9	NESE
43-047-33886-00-00	EOG RESOURCES INC	DC 92-9	Gas Well	Approved permit (APD); not yet spudded	9	SESE
43-047-33889-00-00	EOG RESOURCES INC	DC 97-9	Gas Well	Approved permit (APD); not yet spudded	9	NWSE
43-047-30629-00-00	BELCO PETROLEUM CORP	DUCK CREEK 12-9GR	Oil Well	Location Abandoned	9	SWSE
43-047-30651-00-00	BELCO PETROLEUM CORP	DUCK CREEK 21-9	Oil Well	Location Abandoned	9	SESW
43-047-30772-00-00	BELCO PETROLEUM CORP	DUCK CREEK 22-9 GR	Oil Well	Location Abandoned	9	SWSW
43-047-30793-00-00	BELCO PETROLEUM CORP	DUCK CREEK 27-9 GR	Oil Well	Location Abandoned	9	NWSW
43-047-30781-00-00	BELCO PETROLEUM CORP	DUCK CREEK 28-9GR	Oil Well	Location Abandoned	9	NESW
43-047-30782-00-00	BELCO PETROLEUM CORP	DUCK CREEK 29-9GR	Oil Well	Location Abandoned	9	NWSE
43-047-30794-00-00	BELCO PETROLEUM CORP	DUCK CREEK 30-9 GR	Oil Well	Location Abandoned	9	NESE
43-047-30982-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 54-9	Gas Well	Location Abandoned	9	NWNW
43-047-30983-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 55-9	Gas Well	Location Abandoned	9	SWSE
43-047-31450-00-00	EOG RESOURCES INC	DUCK CREEK 67-9	Gas Well	Producing Well	9	NESW
43-047-33405-00-00	EOG RESOURCES INC	DUCK CREEK 70-9	Gas Well	Producing Well	9	NENE
43-047-31598-00-00	W C INVESTMENTS LTD	DUCK CREEK 71-9	Gas Well	Location Abandoned	9	NENE
43-047-33820-00-00	EOG RESOURCES INC	DUCK CREEK 76-9	Gas Well	Producing Well	9	NWNE
43-047-33821-00-00	EOG RESOURCES INC	DUCK CREEK 77-9	Gas Well	Approved permit (APD); not yet spudded	9	SENE
43-047-30650-00-00	ENRON OIL & GAS CO	DUCKCREEK 20-9GR	Unknown	Plugged and Abandoned	9	SESE
43-047-30656-00-00	BELCO PETROLEUM CORP	DUCK CREEK 19-16GR	Oil Well	Location Abandoned	16	NWNE
43-047-30778-00-00	BELCO PETROLEUM CORP	DUCK CREEK 23-16GR	Oil Well	Location Abandoned	16	NWNW
43-047-30809-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 31-16 GR	Unknown	Plugged and Abandoned	16	NWSW
43-047-30999-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 52-16	Gas Well	Location Abandoned	16	NESE
43-047-30625-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 9-16 GR	Unknown	Plugged and Abandoned	16	NENW
43-047-30627-00-00	BAR MESA RESOURCES INC	DUCKCREEK 10-16GR	Oil Well	Shut_In	16	SWNW
43-047-30626-00-00	RIM OPERATING INC	DUCKCREEK 11-16GR	Oil Well	Temporarily Abandoned	16	SWSW

TABLE 1
Wells Within a 1-mile Radius

T9W R20E
Uintah County, Utah
River Junction 8-24

API Well Number	Operator	Well Name	Well Type	Well Status	Sec.	Qtr/Qtr
43-047-30652-00-00	RIM OPERATING INC	DUCKCREEK 14-16GR	Oil Well	Producing Well	16	SESE
43-047-30649-00-00	RIM OPERATING INC	DUCKCREEK 15-16GR	Oil Well	Producing Well	16	SESW
43-047-30653-00-00	RIM OPERATING INC	DUCKCREEK 16-16GR	Oil Well	Producing Well	16	NWSE
43-047-30654-00-00	BAR MESA RESOURCES INC	DUCKCREEK 17-16GR	Oil Well	Producing Well	16	SENE
43-047-30655-00-00	RIM OPERATING INC	DUCKCREEK 18-16GR	Gas Well	Shut_In	16	SENW
43-047-30476-00-00	RIM OPERATING INC	DUCKCREEK 3-16GR	Water Source	Active Well	16	NESE
43-047-30523-00-00	RIM OPERATING INC	DUCKCREEK 5-16GR	Water Injection	Active Well	16	SWSE
43-047-30540-00-00	RIM OPERATING INC	DUCKCREEK 6-16GR	Oil Well	Temporarily Abandoned	16	NESW
43-047-30541-00-00	BAR MESA RESOURCES INC	DUCKCREEK 7-16GR	Oil Well	Shut_In	16	SWNE
43-047-30628-00-00	BAR MESA RESOURCES INC	DUCKCREEK 8-16GR	Oil Well	Shut_In	16	NENE
43-047-33890-00-00	EOG RESOURCES INC	DC 101-17	Gas Well	Approved permit (APD); not yet spudded	17	NESE
43-047-33892-00-00	EOG RESOURCES INC	DC 103-17	Gas Well	Approved permit (APD); not yet spudded	17	NENE
43-047-33893-00-00	EOG RESOURCES INC	DC 104-17	Gas Well	Approved permit (APD); not yet spudded	17	SESE
43-047-33882-00-00	EOG RESOURCES INC	DC 81-17	Gas Well	Approved permit (APD); not yet spudded	17	NWNE
43-047-33887-00-00	EOG RESOURCES INC	DC 94-17	Gas Well	Approved permit (APD); not yet spudded	17	SENE
43-047-30630-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 13-17GR	Oil Well	Location Abandoned	17	NESE
43-047-30792-00-00	BELCO PETROLEUM CORP	DUCK CREEK 25-17GR	Oil Well	Location Abandoned	17	SENE
43-047-30811-00-00	BELCO PETROLEUM CORP	DUCK CREEK 33-17GR	Oil Well	Location Abandoned	17	SWNE
43-047-30795-00-00	BELCO PETROLEUM CORP	DUCK CREEK 34-17GR	Oil Well	Location Abandoned	17	SWSE
43-047-30812-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 35-17GR	Unknown	Plugged and Abandoned	17	SESE
43-047-30998-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 43-17GR	Oil Well	Location Abandoned	17	NWNE
43-047-30994-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 44-17GR	Oil Well	Location Abandoned	17	SENW
43-047-30992-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 45-17GR	Oil Well	Location Abandoned	17	NESW
43-047-30995-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 46-17GR	Oil Well	Location Abandoned	17	SESW
43-047-31016-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 47-17GR	Oil Well	Location Abandoned	17	SWSW
43-047-30991-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 48-17GR	Oil Well	Location Abandoned	17	NWSW
43-047-30993-00-00	BELCO DEVELOPMENT CORP	DUCK CREEK 49-17GR	Oil Well	Location Abandoned	17	SWNW
43-047-31398-00-00	EOG RESOURCES INC	DUCK CREEK 64-17	Gas Well	Producing Well	17	SWNW
43-047-33546-00-00	EOG RESOURCES INC	DUCK CREEK 74-17	Gas Well	Producing Well	17	SWNE
43-047-30779-00-00	ENRON OIL & GAS CO	DUCKCREEK 24-17GR	Unknown	Plugged and Abandoned	17	NENE
43-047-30810-00-00	BAR MESA RESOURCES INC	DUCKCREEK 32-17GR	Oil Well	Producing Well	17	NENW
43-047-30642-00-00	EOG RESOURCES INC	DUCKCREEK 4-17	Gas Well	Producing Well	17	NWSE
43-047-30996-00-00	BAR MESA RESOURCES INC	DUCKCREEK 50-17GR	Oil Well	Producing Well	17	NWNW
43-047-31316-00-00	MOUNTAIN OIL INC	RIVER JUNCTION 11-18	Oil Well	Producing Well	18	NESW



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS

Utah and Ouray Agency
P. O. Box 130
988 South 7500 East
Fort Duchesne, Utah 84026-0130
Phone: (435) 722-4300 Fax: (435) 722-2323

IN REPLY REFER TO:
Minerals and Mining
Phone: (435) 722-4310
Fax: (435) 722-2809

May 17, 2001

Banko Petroleum Management, Inc.
Attn: Ms. Kathy L. Schneebeck
9285 Teddy Lane, Suite 100
Lone Tree, Colorado 80124-5475

Dear Ms. Schneebeck:

This office is now ready to schedule on-sites for wells that have been issued for permission to surveys. We have scheduled on-sites for the wells that were listed on your letter of request dated May 10, 2001.

On-Site Date: Wednesday, May 30, 2001 @ 9:00 a.m.

- | | | | |
|------------------------|------|-----------|----------|
| 1. River Junction 8-24 | SESW | Section 8 | T9S-R20E |
| 2. River Junction 8-33 | NWSE | Section 8 | T9S-R20E |

PLEASE NOTE: NO CHANGES WILL BE MADE TO THIS LIST, any changes will result in re-submitting your request and on-site date re-scheduled. NO CHANGES TO ROW after on-site will be accepted. If changes must be made, this will result in re-submitting and re-scheduling. The company is responsible for notifying BLM and the Ute Indian Tribe to make sure they can attend the scheduled on-site date.

Prior to the on-site date, please provide this office with the Archaeology Report. After the on-site is completed, please prepare and submit your signed applications for the Right-of-Ways, 1 original mylar, 2 mylar copies, and payment for the surface damage fee.

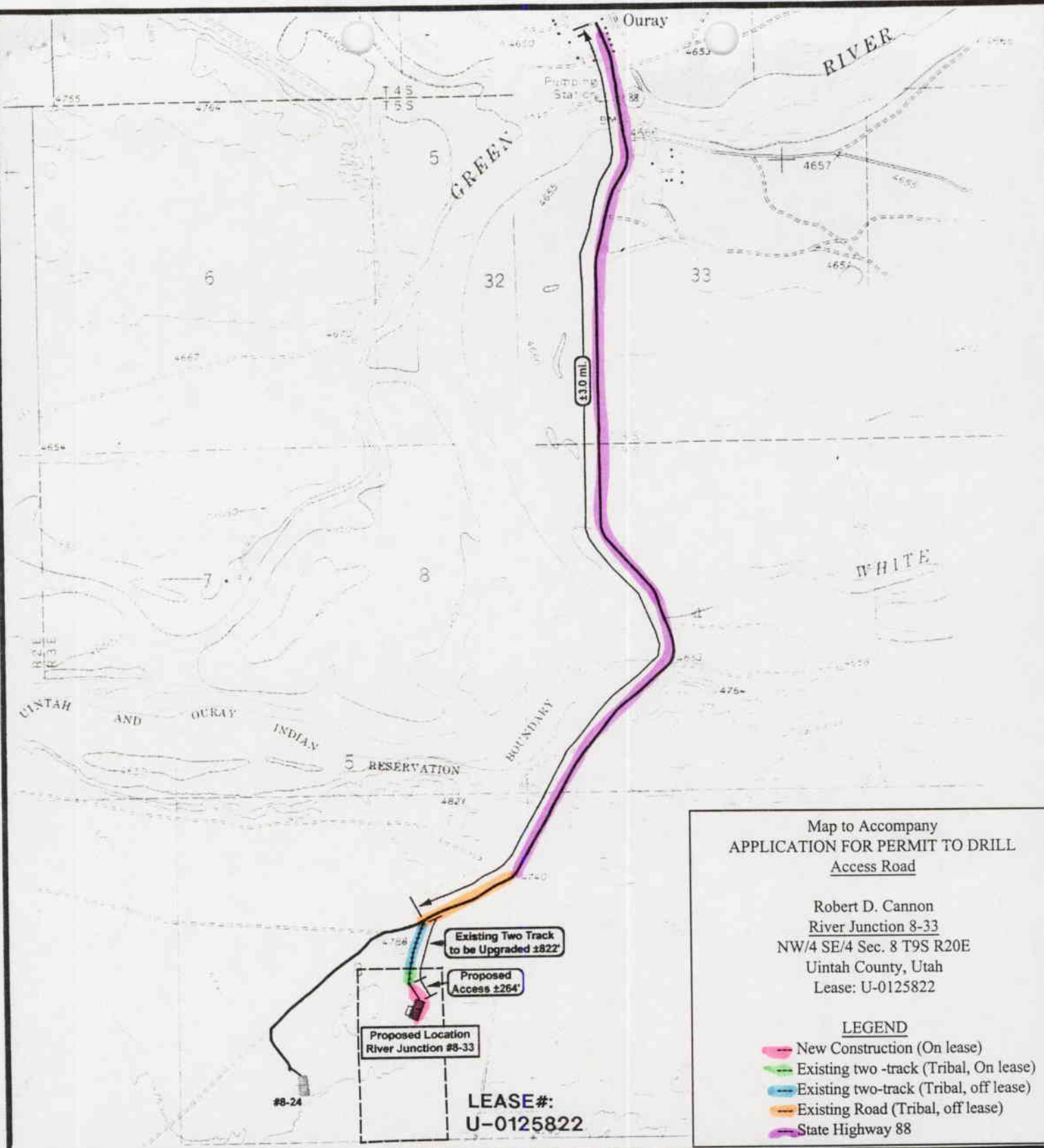
If you have any questions, please call at (435) 722-4310. Thank you.

Sincerely,

Real Estate Services
For Superintendent

Per KD:

- met @ Green River Bridge @ 9:00 am
- he is confirmed with BLM
(Greg Earlington), who was
going to contact BIA
- we need to contact the tribe to confirm



Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Robert D. Cannon
River Junction 8-33
NW/4 SE/4 Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

LEGEND

- New Construction (On lease)
- Existing two-track (Tribal, On lease)
- Existing two-track (Tribal, off lease)
- Existing Road (Tribal, off lease)
- State Highway 88

ROBERT D. CANNON

**River Junction #8-33
SEC. 8, T9S, R20E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'

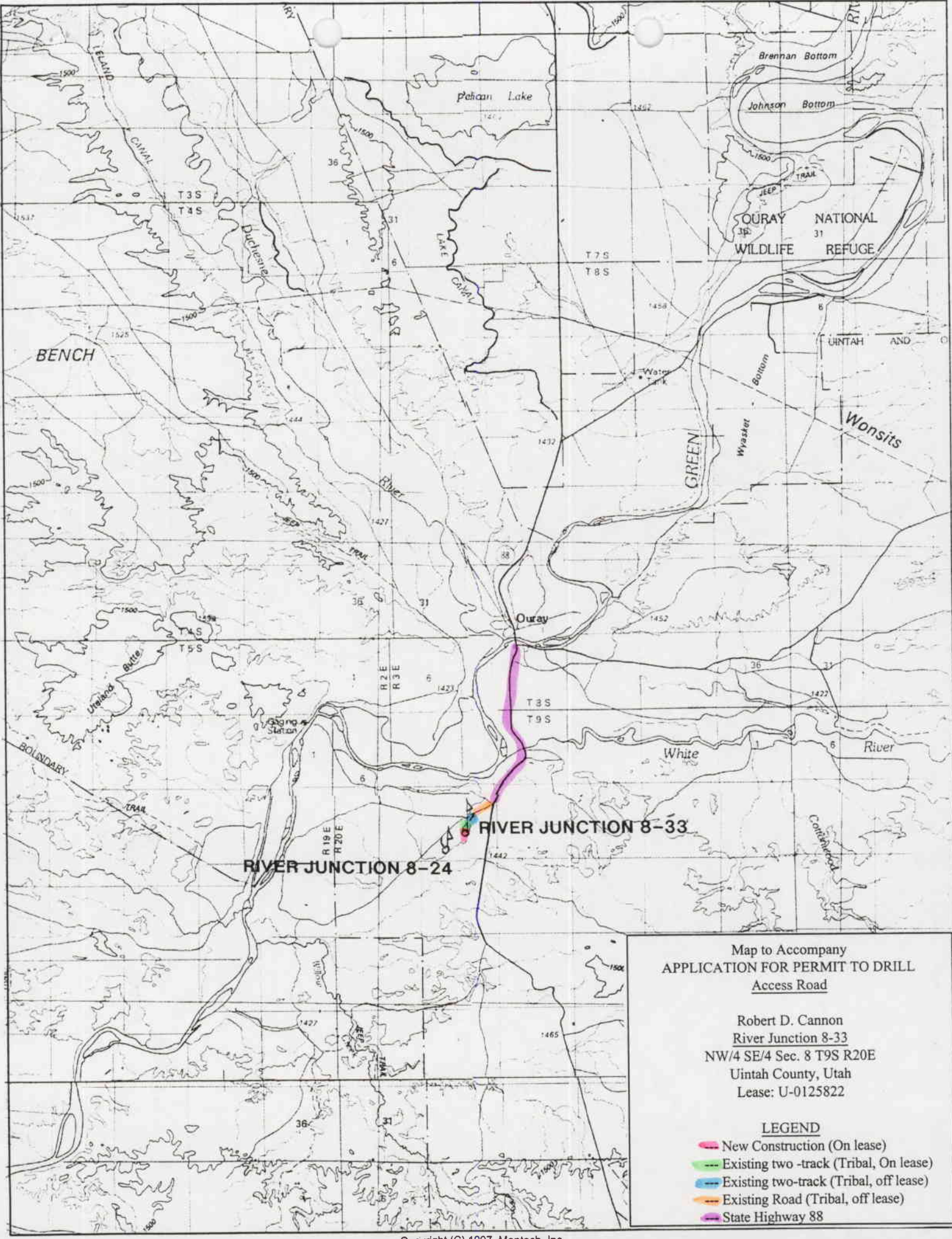
DRAWN BY: bgm

DATE: 05-15-2001

- Legend**
- Existing Road
 - Proposed Access
 - Two Track to be Upgraded

TOPOGRAPHIC MAP

a & b



Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Robert D. Cannon
River Junction 8-33
NW/4 SE/4 Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

LEGEND

- New Construction (On lease)
- Existing two-track (Tribal, On lease)
- Existing two-track (Tribal, off lease)
- Existing Road (Tribal, off lease)
- State Highway 88

Utah - DCCM

B A N K O
PETROLEUM
MANAGEMENT INC.

USPS Express Mail

Charlie Cameron
BIA
PO Box 190
Fort Duschesne, UT 84026

July 6, 2001

RE: Right-of-Way for Drillsite and Access Road
Robert D. Cannon
River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

Dear Mr. Cameron,

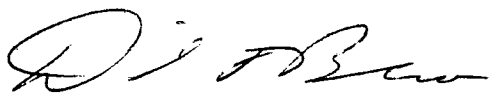
Enclosed please find two (2) originals of a Right-of-Way (ROW) application for the access road and drill site to the above-referenced well filed on behalf of Robert D. Cannon.

Please send cost determination and approvals directly to:

Mr. Robert D. Cannon
348 Turrett Drive
PO Box 2086
Rock Springs, WY 82902
with a copy to the undersigned.

Your early attention to this application is greatly appreciated, thank you for your concern.

Very truly yours,



David F. Banko
Agent for Robert D. Cannon

DFB:klb

Enclosures

cc: Utah Division of Oil, Gas, and Mining
Robert D. Cannon

RECEIVED

JUL 10 2001

DIVISION OF
OIL, GAS AND MINING

River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E

APPLICATION FOR GRANT OF RIGHT OF WAY

Robert D. Cannon

having a resident or principal place of business at PO Box 2086, 348 Turrett Drive, Rock Springs, WY 82902, hereby files an application with the Bureau of Indian Affairs, pursuant to the terms and provisions of the Act of February 5, 1948 (62 Stat. 17; 25 U.S.C. 323), and to the regulations of the Department of the Interior contained in Title 25, Code of Federal Regulations, Part 169, for the grant of a right-of-way for the following purposes and reasons:

Across the following described Indian land:

Said right-of-way to be approximately ±1.086' in length, no more than 40' in width, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

The applicant understands and hereby expressly agrees to the following stipulations:


- a) To construct and maintain the right-of-way in a workman like manner.
- b) To pay promptly all damages and compensation, in addition to the deposit made pursuant to 169.4 determined by the Secretary to be due the landowners and authorized users and occupants of the land on account of the survey, granting, construction, and maintenance of the right-of-way.
- c) To indemnify the landowners and authorized users and occupants against any liability for loss of life, personal injury and property damage arising from the construction, maintenance, occupancy or use of the lands by the applicant, his employees, contractors, and their employees or subcontractors and their employees.
- d) To restore the lands as nearly as may be possible to their original condition upon the completion of the construction to the extent compatible with the purpose for which the right-of-way was granted.
- e) To clear and keep clear the lands within the right-of-way to the extent compatible with the purpose for which the right-of-way, and to dispose of all vegetative and other material cut, uprooted, or otherwise accumulated during the construction and maintenance of the project.
- f) To take soil and resource conservation and protection measures, including weed control, on the land covered by the right-of-way.
- g) To do everything reasonable within its power to prevent and suppress fires on or near the lands to be occupied under the right-of-way.

- h) To build and repair such roads, fences, and trails as may be destroyed or injured by construction work and to build and maintain necessary and suitable crossings for all roads and trails that intersect the works constructed, maintained or operated under the right-of-way.
- i) That upon revocation or termination of the right-of-way, the applicant shall, so far as is reasonably possible, restore the land to its original condition.
- j) To at all times keep the Secretary informed of its address, and in case of corporations of the address of its principal officers.
- k) That the applicant will not interfere with the use of the lands by or under the authority of the landowners for any purpose not inconsistent with the primary purpose for which the right-of-way is granted.

In witness thereof, David F. Banko has caused this instrument to be executed this 6th day of July 20 01.

David F. Banko
Agent for Robert D. Cannon

Kathy L. Schneebeck
Kathy L. Schneebeck
Witness


Signature

Banko Petroleum Mgmt. Inc.
9285 Teddy Lane, Suite 100
Lone Tree, CO 80124-6705

Supporting Documents

- () Written consent of the landowners.
- () Evidence of good faith and financial responsibility.
- () _____ estimated damages.
- () State certified copy of corporate charter or articles of corporation.
- () Certified copy of resolution or bylaws of the corporation authorizing the filing of the stipulations.
- () State certification that the applicant is authorized to do business in the state where the land is located.
- () Certified copy of the articles of partnership or association.
- () Map of definite location.
- () Other:

APPLICANT'S CERTIFICATE

I, David F. Banko, do certify that I am the
agent for Robert D. Cannon, hereinafter designated the
applicant; that David F. Banko
who subscribed to the foregoing affidavit, is employed by the applicant a
 and that he was directed by the applicant to
survey the location of a drillsite and access road right-of-way,
(See attached) miles in length beginning at (See attached) and
ending at (See attached), is accurately represented on this
map; that such survey as represented on this map has been adopted by the
applicant as the definite location of the right-of-way thereby shown; and that the
map has been prepared to be filed with the Secretary of the Interior or his duly
authorized representative as part of the application for said right-of-way to be
granted the applicant, its successors and assigns, with the right to construct,
maintain, repair improvements, thereon and thereover, for such purposes, and
with the further right in the applicant, its successors and assigns to transfer this
right-of-way by assignment, grant, or otherwise.

D. J. Br

David F. Banko, Agent for Robert D. Cannon

To River Junction 8-33

Length: T9S R20E Sec. 8 1,086' = 0.21 miles = 66 rods

TOTAL for new road 0.21 miles = 66 rods

Width: 20' crown with 40' total width.

Acreage = T9S R20E Sec. 8 43,440 sq ft = 1.00 acres

TOTAL for new road 43,440 sq ft = 1.00 acres

Drillsite: 325' x 165' = 53,625 sq ft = 1.23 acres

150' x 100' = 15,000 sq ft = 0.34 acres

TOTAL for drill site 68,625 sq ft = 1.58 acres

TOTAL FOR ENTIRE ROW 112,065 sq ft = 2.57 acres

Robert D. Cannon
River Junction 8-33
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822
SURFACE USE PLAN

WELL LOCATION AND INTRODUCTION:

The proposed location was 2,024' FSL 1,802' FEL of Sec. 8. The wellsite was surveyed and staked on May 10, 2001 by Tri-State Land Surveying and Consulting, on a site that was geologically, topographically, and legally acceptable. An on-site meeting was held on May 30, 2001. Present at the on-site meeting were: Greg Darlington – BLM, Vernal, Utah; Manuel Myore – Bureau of Indian Affairs (BIA); Ferron Secakuku and Alvin Ignacio – Ute Indian Tribe, Energy Department; Keith Dana – Agent for Robert D. Cannon.

Specific stipulations arising from the on-site meeting are shown as starred (*).

The BLM – Vernal, Utah (435-781-4400, Mr. Ed Forsman) and the Ute Tribe (435-722-5141, Mr. Ferron Secakuku) will be notified 48 hours prior to commencing construction of the drillsite and 48 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION:

From Vernal, Utah, travel southwest on US Highway 40 for ±13.5 miles to Utah Highway 88; turn south (left) on Highway 88 for ±18 miles to Ouray, Utah; continue through Ouray; continue ±2.75 miles south on Highway 88 to an existing gravel resource road. Turn right and travel south 0.25 miles to the new construction on two-track trail. Turn left (east) on the two track and continue for ±1,086' to the proposed location.

1) EXISTING ROADS within 1 mile:

- A) The well is development well.
- B) Existing roads within 0.5 miles of the location consist of Utah State Highway 88.

2) PLANNED ACCESS ROADS

±822' of two-track trail to be upgraded

±264' of new construction on lease

±1,086' of total new construction

- A) Running surface width to be approximately 16', total disturbed width to be no more than 40'.
- B) Borrow ditches to be backsloped 3:1 or shallower.
- C) Maximum grades 3% for 200'.
- D) Drainage to consist of borrow ditches on both sides. Note that on occasion low spots develop which weren't apparent. If necessary, low water crossings will be used during drilling, as conditions dictate. Upon well completion as a producer, crossings will be upgraded with 18" x 30' corrugated metal pipes and/or gravel bottomed low water crossings will be installed. Culvert sizes, if installed, to be a minimum of 18" diameter.
- E) Surfacing material to consist of native material from borrow ditches, topsoil will be buried in road crown.
- F) No major road cuts are necessary.
- G) Fence cuts, gates, and cattle guards will not be required.

3) LOCATION OF EXISTING WELLS

Within a one-mile radius:

Proposed	See attached Table 1
Drilling	See attached Table 1
Abandoned	See attached Table 1
Disposal/injection	See attached Table 1
Shut-in	See attached Table 1
Producing	See attached Table 1

COMMUNITIZED AREA WELLS: See attached Table 2

4) LOCATION OF EXISTING PRODUCING FACILITIES OPERATED BY Robert D. Cannon

Within a one-mile radius: See attached Table 1

NEW PRODUCTION FACILITIES PROPOSED

- A) The proposed production facilities will be located on the existing pad. Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area; backsloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for reclamation of surface for details (Paragraph 10: Surface Preparation). Production facilities will be located on the disturbed portion of the well pad a minimum of 10' from the reclaimed slope. Construction material needed for installation of the production facilities will be obtained from the site.
- B) Dimension of proposed facility is 200' x 175' to and after rehabilitation.
- C) There are no existing facilities that will be utilized for this well.
- D) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- E) Per Surface Management Agency (SMA) stipulations, all above ground permanent structures will be painted to blend with the surrounding landscape. The color which will be used is Munsell Color Reference Number, Carlsbad Canyon (2.5Y 6/2). This meets operator request that production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons.
- * F) Production "pits" to be a steel or fiberglass tank. An open top tank may be used.
- G) No facilities will be constructed off location.
- H) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded. Refer to plans for restoration of surface for additional details.
- I) Tank batteries shall be surrounded by an impervious dike of sufficient size to hold 110% the capacity of the largest tank in the battery.
- * J) Open top tanks, which contain oil, if used, will be overhead netted.

5) LOCATION OF WATER SUPPLY

Water will be obtained from an existing commercial water supply in the town of Ouray, Sec. 32 T4S R3E. Trucks will be used to transport drilling water to location.

6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials, will be obtained from available permitted sources, if needed, and consist of pit gravel.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in reserve pit when dry.
- B) Drilling fluid will be evaporated, and then buried in the reserve pit when dry.
- C) Produced fluid will be contained in test tanks during completion and testing.
- D) Sewage disposal facilities will be chemical toilets and will be in accordance with state and local regulations. Sewage may not be buried on location or put in a borehole. Utah Department of Environmental Quality (UDEQ) Regulations prevent this unless a UDEQ Permit is obtained.
- E) Garbage and other waste: burnable waste will be contained in a portable trash cage, which will be totally enclosed with small mesh wire. Cage and contents will be transported to and trash dumped at a UDEQ approved sanitary landfill upon completion of operations.
- F) Trash will be picked up if scattered and contained in trash cage as soon as practical after rig is moved off.
- G) Reserve pit will be fenced "stock tight" on three sides during drilling operations, and on fourth side at time of rig release. Pit will remain fenced until backfilled.
- H) Upon release of the drilling rig, rathole and mousehole will be filled. Debris and excess equipment will be removed.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9) WELLSITE LAYOUT

- A) See attached drillsite plat and cut/fill diagram.
- B) The reserve pit will be lined with a synthetic liner 10 mil or thicker.

10) SURFACE PREPARATION

- A) Topsoil will be removed prior to location construction from all disturbed areas. Topsoil depth to be removed is 6" as stipulated by SMA.
- B) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste and spoils materials will be buried immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.
- C) The soil-banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula by SMA. Revegetation is recommended for road area as well as around drill pad.
- D) The rehabilitation will begin after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in fall, unless requested otherwise.

- E) Seed mixture for this location will be determined by the SMA. A suggested seed mixture is:
 3#/acre PLS – Thickspike wheat grass
 3#/acre PLS – Western wheatgrass
 1#/acre PLS – Gardner saltbrush
 2#/acre PLS – Indian rice grass
2#/acre PLS – Annual rye grass
 11#/acre PLS - TOTAL
- F) Seeding will be done during fall planting season, September 15 through first frost.
- G) Topsoil shall be spread evenly over all areas to be reclaimed.
- H) Prior to abandonment of the wellsite and new access road, a joint inspection of the disturbed area will be held. This inspection will be held to review the reclamation plan.
- I) Weeds shall be controlled on disturbed areas within the exterior limits of the wellsite and access road. The control methods shall be in accordance with guidelines established by the EPA, SMA, state and local authorities.

11) GENERAL INFORMATION

- A) Project area is situated in the Green River drainage basin 1.5 miles south of the confluence of the White River and the Green River.
- B) Topographic and geologic features – alluvial deposits and rocky outcrops.
- C) Soil characteristics - clay loam.
- D) Flora consists of Desert Lily, Geranium, Greasewood, Matchbrush, Phlox, Prickly Pear, Rocky Mountain beeplant, Rubber rabbitbrush, Shadscale saltbrush, Spiny horsebrush, Blue grama, Bluegrass, Cheatgrass, Indian ricegrass, Needle and Thread, and Thickspike wheatgrass.
- E) Fauna - none observed, assume antelope and mule deer.
- F) Concurrent surface use - grazing and hunting.
- G) Mineral Lessor – Bureau of Land Management
- H) Surface Owner: BIA/Ute Indian Tribe
 Drillsite- BIA/Ute Indian Tribe
 PO Box 70
 Ft. Duchesne, UT 84026
 435-722-5141
 Access – BIA/Ute Indian Tribe
- I) Proximity of water, occupied dwellings or other features – Green River 1.0 miles north of location.
- J) Archaeological, cultural and historical review has been conducted by Montgomery Archaeological Consultants and submitted separately on May 16, 2001.
- K) Construction activity shall not be conducted using frozen or saturated soil material or during periods when significant watershed damage (e.g., rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur
- L) The operator shall be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be limited or suspended in specific areas.
- M) Unless otherwise exempted, free and unrestricted public access shall be maintained on the lease and associated rights-of-way.
- N) Facilities approved by the APD that are no longer included within the lease, due to a change in the lease or unit boundary, shall be authorized with a right-of-way.

O) Historic, Cultural, and Paleontological Resources

The operator shall be responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator shall suspend all operations that further disturb such materials and immediately contact the authorized officer. Operations shall not resume until written authorization to proceed is issued by the authorized officer.

Within five (5) working days, the authorized officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

P) Hazardous Materials

Cannon maintains a file, per 29 CFR 1910.1200(g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be transported across these lands may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous substances, EHS, and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE:Operator

Robert D. Cannon
348 Turrett Drive
PO Box 2086
Rock Springs, WY 82902
(307) 382-9465
(307) 362-7220 - Fax

Permit Agent

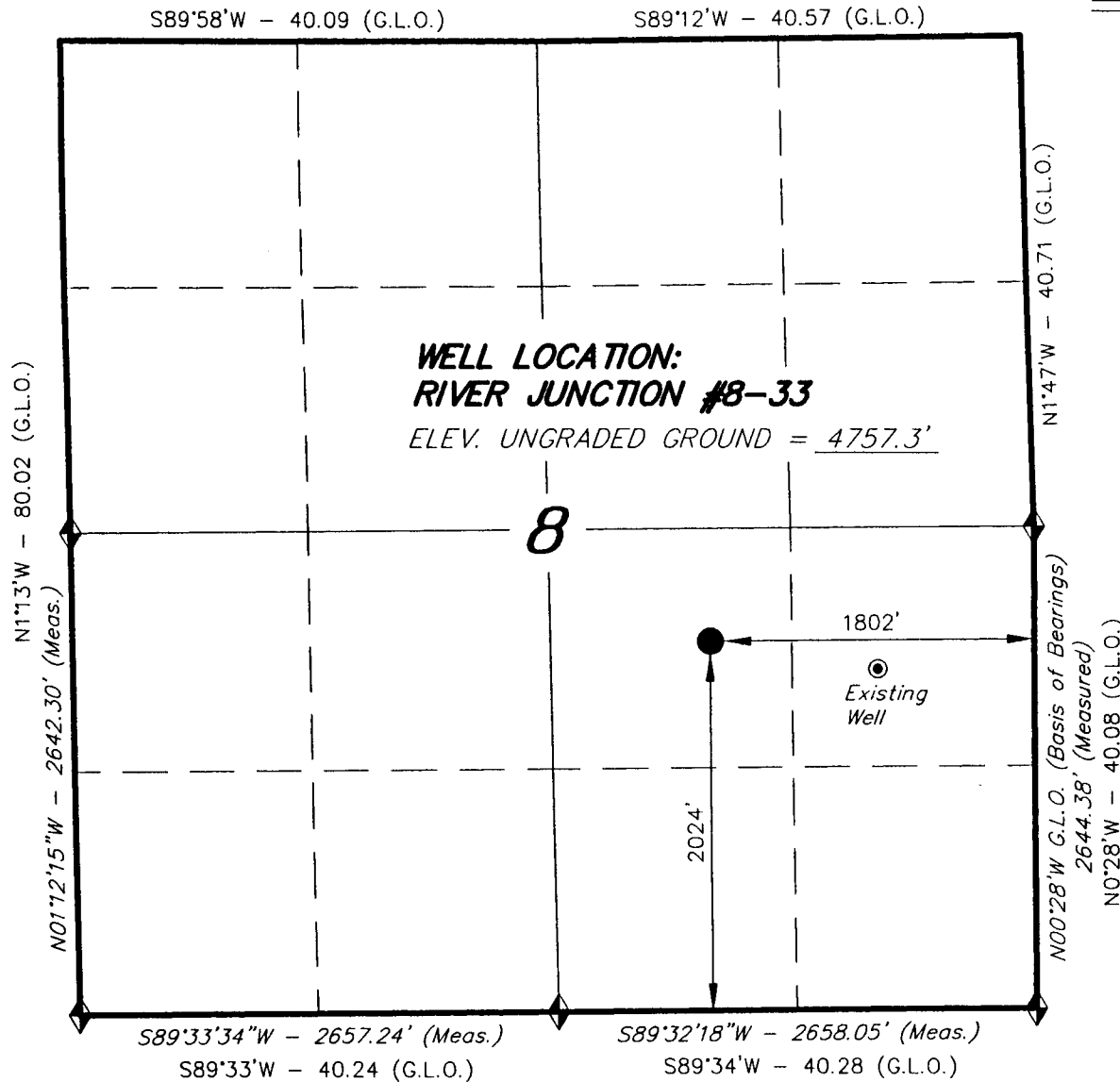
Banko Petroleum Management, Inc.
9285 Teddy Lane, Suite 100
Lone Tree, CO 80124-5475
(303) 820-4480

- + David F. Banko - Agent
(303) 820-4480
e-mail: *david@banko1.com*
- * Keith Dana - Range Mgmt. Consultant
(307) 389-8227 – mobile
(307) 832-5822 – home
e-mail: *krlcdana@fascination.com*
- + Kathy Schneebeck – Regulatory Specialist
(303) 820-4480
e-mail: *kathys@banko1.com*

- * Contact to arrange on-site meeting
- + Contact with any questions or comments regarding this permit.

T9S, R20E, S.L.B.&M.

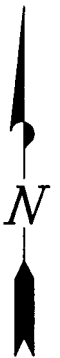
ROBERT D. CANNON



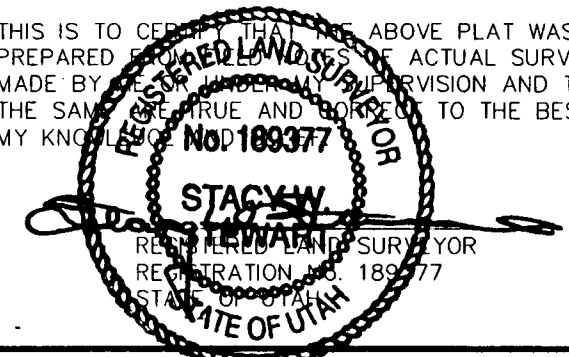
WELL LOCATION, RIVER JUNCTION
#8-33, LOCATED AS SHOWN IN THE
NW 1/4 SE 1/4 OF SECTION 8, T9S,
R20E, S.L.B.&M. UINTAH COUNTY,
UTAH.

NOTE:

An existing well in the NE 1/4 SE 1/4 of
Section 8 bears S80°46'23"E 949.0' from
the proposed well location.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM THE RECORDS OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE.



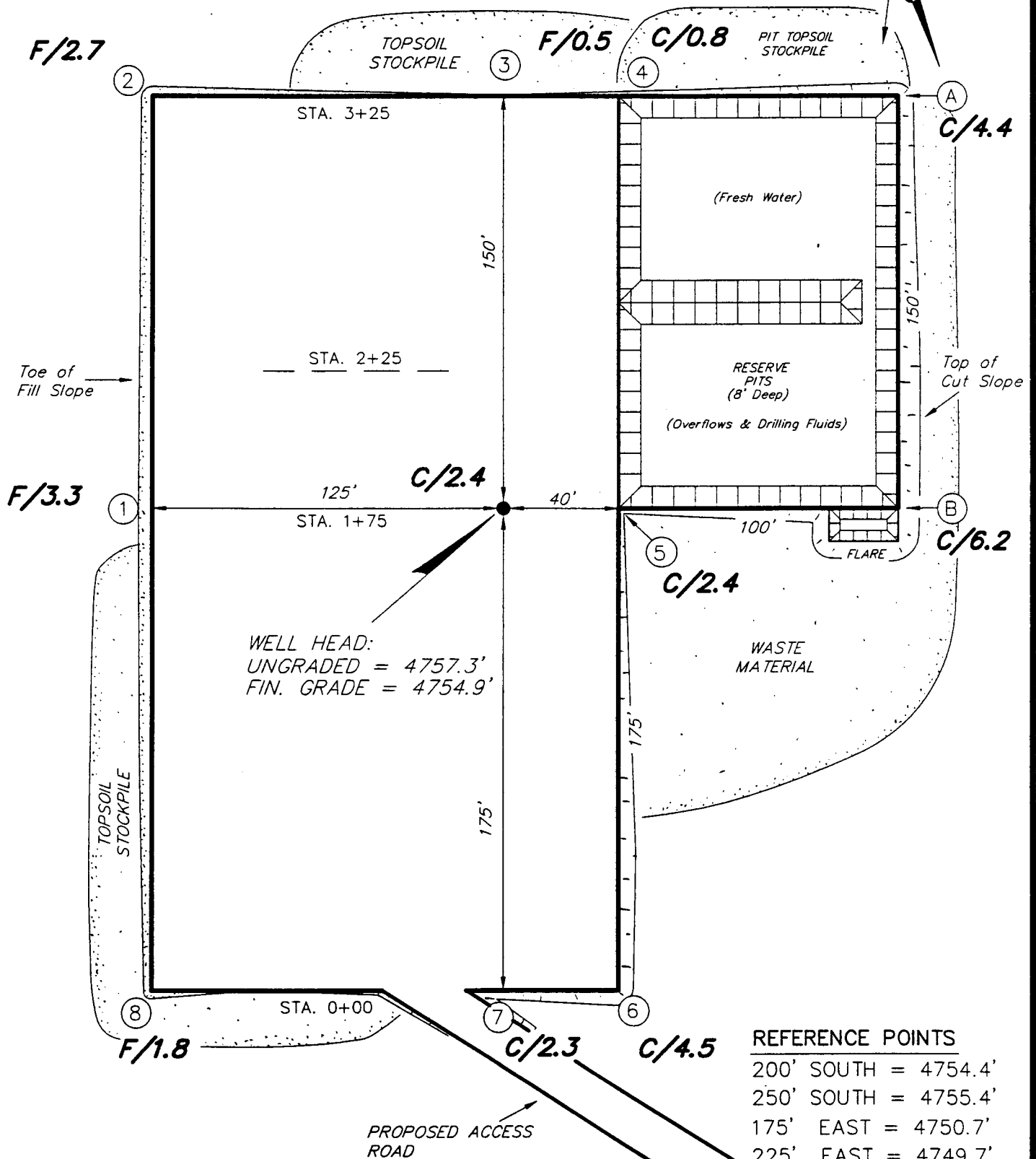
TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 5-10-01	WEATHER: WARM
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED (1968 Brass Cap)
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (OURAY)

ROBERT D. CANNON
RIVER JUNCTION #8-33
 SEC. 8, T9S, R20E, S.L.B.&M.



SURVEYED BY: D.J.S.

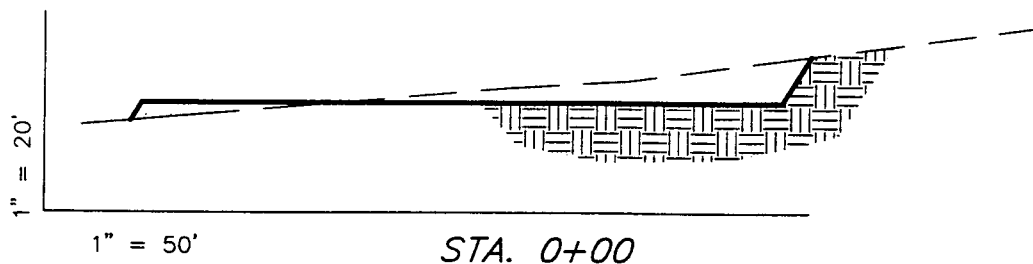
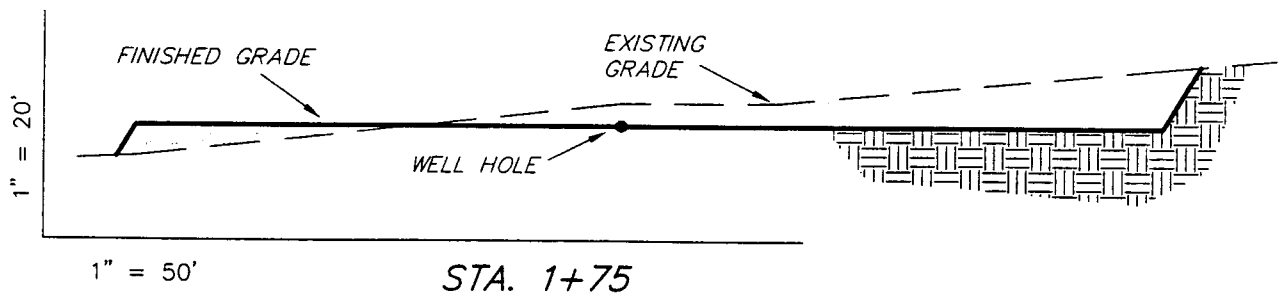
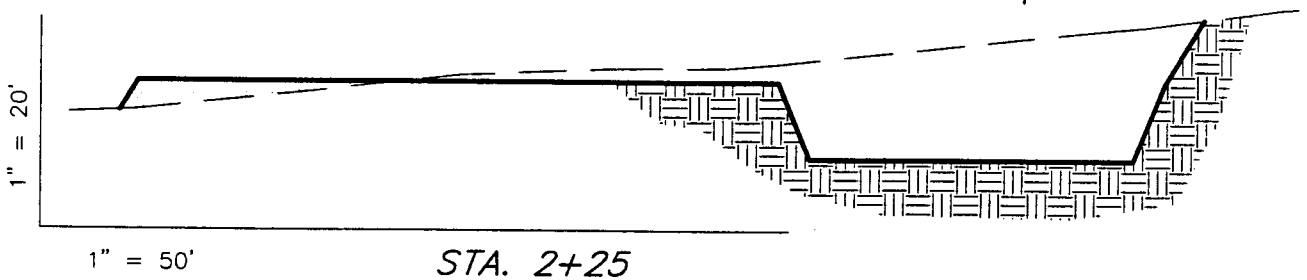
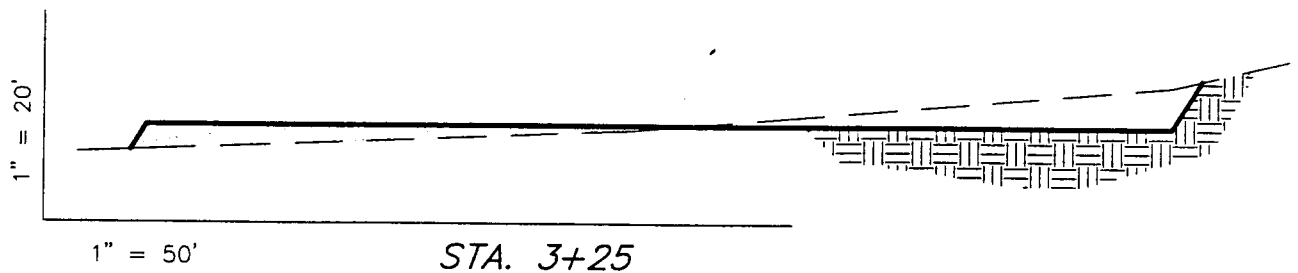
SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 5-10-01

Tri State
 Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078
 (435) 781-2501

ROBERT D. CANNON
CROSS SECTIONS
RIVER JUNCTION #8-33



APPROXIMATE YARDAGES

CUT = 2,670 Cu. Yds.
 FILL = 2,670 Cu. Yds.
 PIT = 3,680 Cu. Yds.
 12" TOPSOIL = 2,540 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

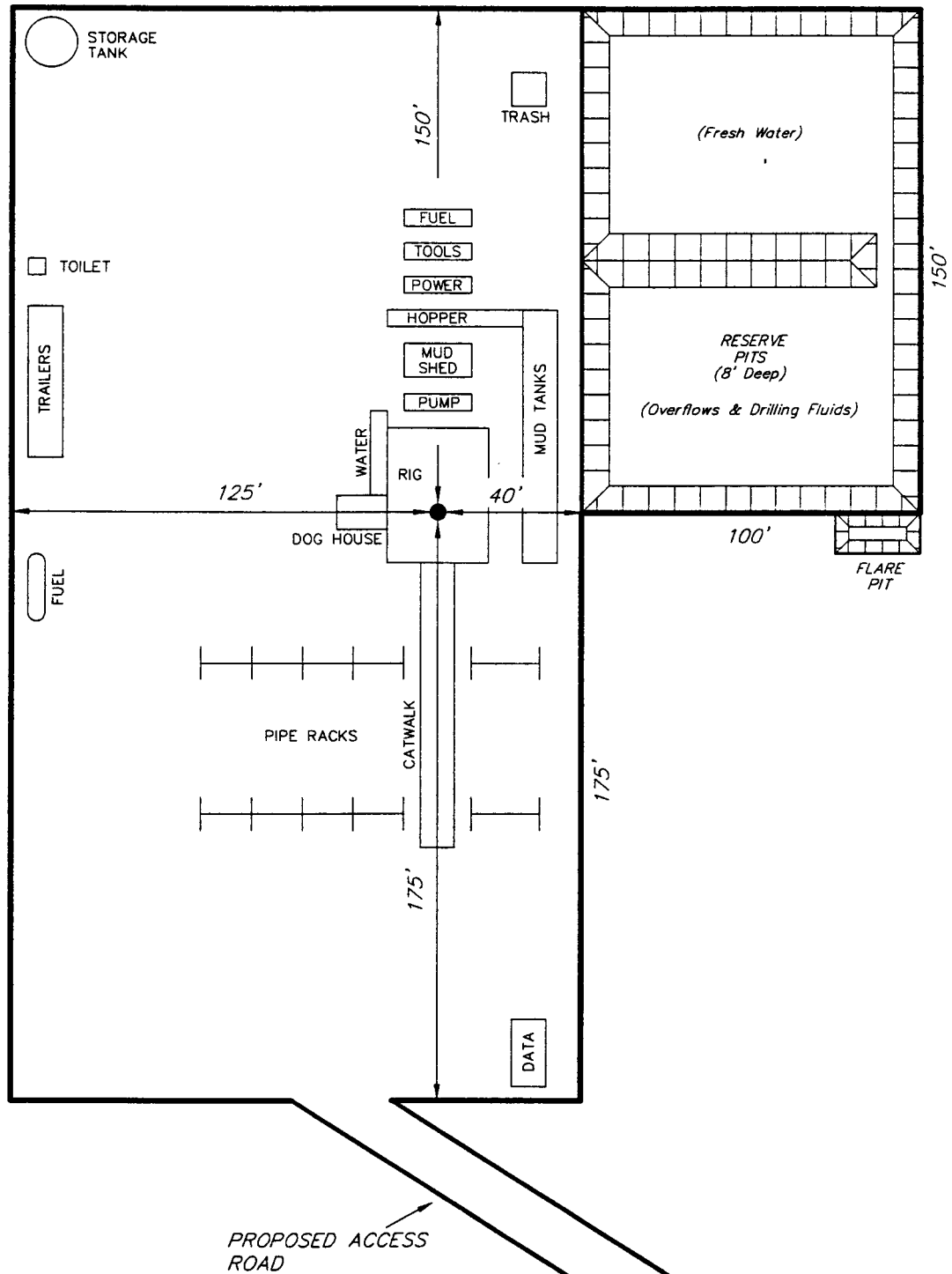
DRAWN BY: J.R.S.

DATE: 5-10-01

(435) 781-2501

Tri State
 Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

ROBERT D. CANNON
TYPICAL RIG LAYOUT
RIVER JUNCTION #8-33



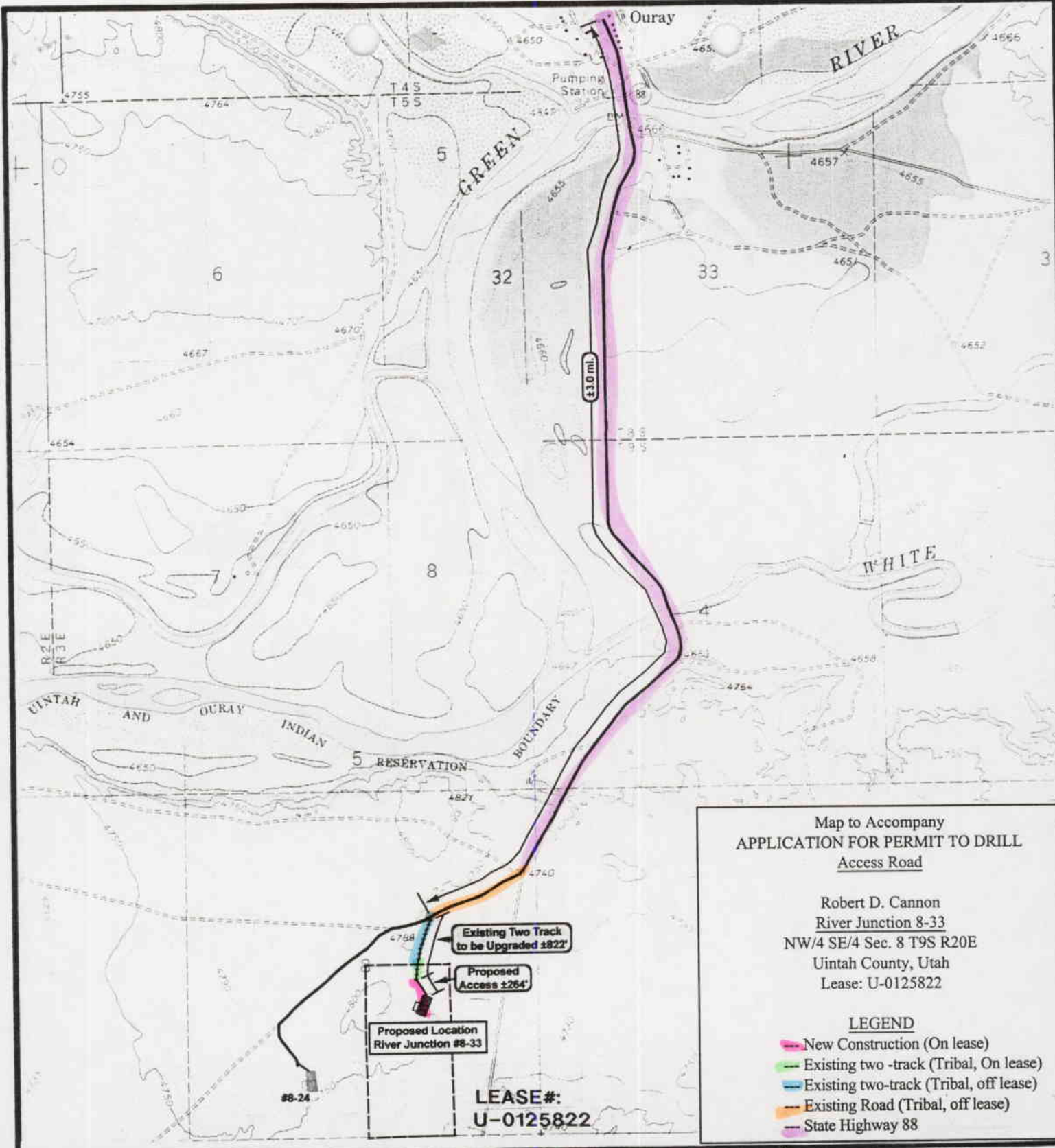
SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 5-10-01

Tri State
Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078
 (435) 781-2501



Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Robert D. Cannon
River Junction 8-33
NW/4 SE/4 Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

LEGEND

- New Construction (On lease)
- Existing two-track (Tribal, On lease)
- Existing two-track (Tribal, off lease)
- Existing Road (Tribal, off lease)
- State Highway 88

Existing Two Track
to be Upgraded ±822'

Proposed
Access ±264'

Proposed Location
River Junction #8-33

LEASE#:
U-0125822

ROBERT D. CANNON

River Junction #8-33
SEC. 8, T9S, R20E, S.L.B.&M.

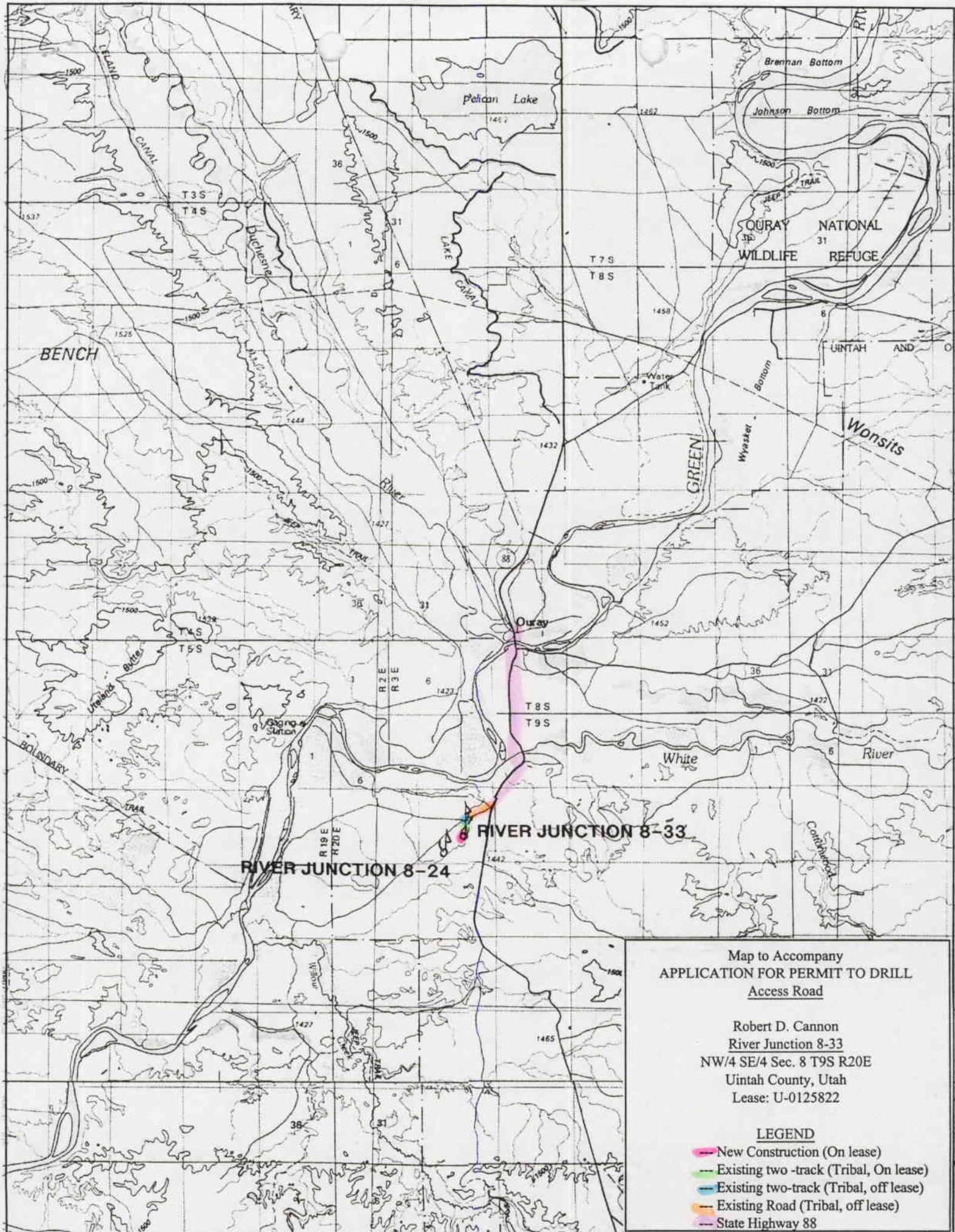


*Tri-State
Land Surveying Inc.*
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: bgm
DATE: 05-15-2001

- Legend**
- Existing Road
 - Proposed Access
 - Two Track to be Upgraded

TOPOGRAPHIC MAP
a & b



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/09/2001

API NO. ASSIGNED: 43-047-34185

WELL NAME: RIVER JCT 8-33

OPERATOR: ROBERT CANNON (N1820)

CONTACT: DAVID BANKO

PHONE NUMBER: 303-820-4480

PROPOSED LOCATION:

NWSE 08 090S 200E

SURFACE: 2024 FSL 1802 FEL

BOTTOM: 2024 FSL 1802 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0125822

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: GRRV

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-1224)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. MUNICIPAL)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☒ R649-2-3. Unit RIVER JUNCTION

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

☒ Drilling Unit

Board Cause No:

Eff Date:

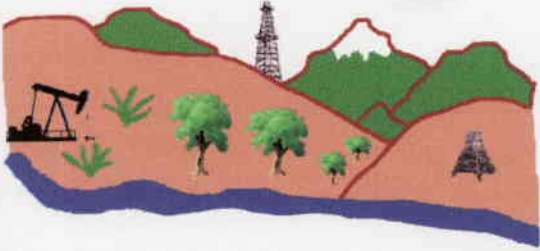
Siting:

☒ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

Fed.



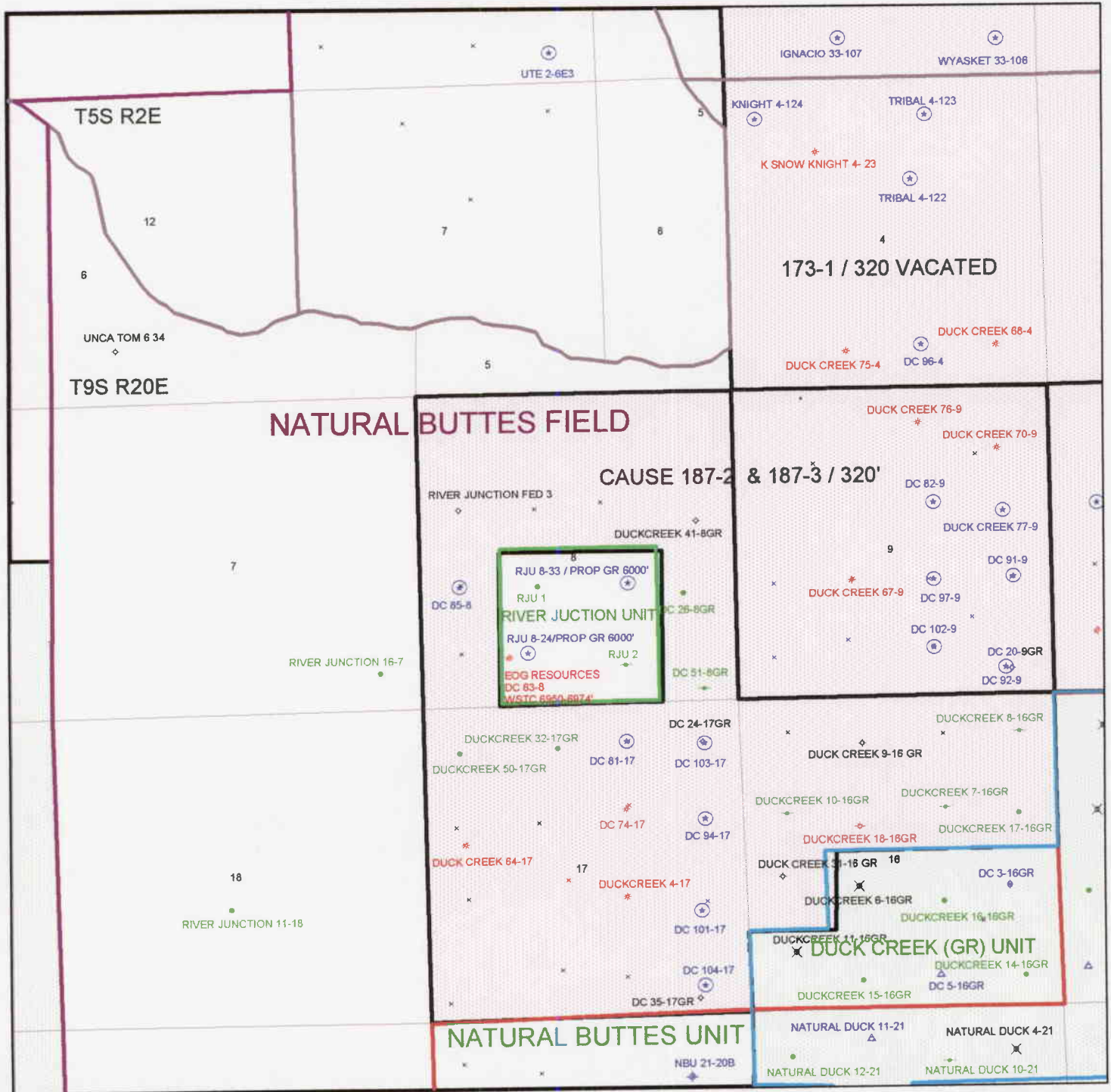
Utah Oil Gas and Mining

OPERATOR: CANNON, ROBERT D (N1820)

SEC. 8, T9S, R20E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH UNIT: RIVER JUNCTION
SPACING: R649-3-2/GEN ST



PREPARED BY: LCORDOVA
DATE: 13-JULY-2001



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 18, 2001

Robert D. Cannon
PO Box 2086
Rock Springs, WY 82902

Re: River Junction 8-33 Well, 2024' FSL, 1802' FEL, NW SE, Sec. 8, T. 9 South, R. 20 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34185.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Robert D. Cannon
Well Name & Number River Junction 8-33
API Number: 43-047-34185
Lease: U 0125822

Location: NW SE **Sec.** 8 **T.** 9 South **R.** 20 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4.** In accordance with Order in Cause No. 190-5(b) dated October 28, 1982 and as amended by 190-13, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

- 5.** State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

**BANKO
PETROLEUM
MANAGEMENT** INC.

FEDERAL EXPRESS

Ms. Lisha Cordova
Utah Division of Oil, Gas, and Mining
1594 W North Temple, Suite 1210
Salt Lake City, UT 84114-5801

August 2, 2002

RE: Application For Permit To Drill - **Extension**
Robert D. Cannon
River Junction 8-33
API #43-047-34185
2,024' FSL 1,802' FEL (NW/4 SE/4)
Sec. 8 T9S R20E
Uintah County, Utah
Lease: U-0125822

Dear Ms. Cordova,

Enclosed please find three (3) original copies of the Sundry Notice (SN) for the Application for Permit to Drill (APD) the above-referenced well, filed on behalf of Robert D. Cannon (Cannon). Additionally, copies were send to the Utah Division of Oil, Gas, and Mining (UDOGM). Additional copies were sent directly to the Bureau of Indian Affairs (BIA) in Fort Dushesne, Utah.

An Application for Permit to Drill (APD) for this well was submitted to Bureau of Land Management (BLM) and Utah Department of Natural Resources - UDOGM on July 6, 2001 at a location of 2,024' FSL 1,802' FEL of Section 8. The well was approved by the UDOGM on July 18, 2001 and given the API #43-047-34185. The Utah permit for this well expired on July 18, 2002. We understand the BLM permit for this well has not been approved; therefore, the well was never drilled. Please extend the Utah permit of this well for the maximum amount of time possible.

This Application for Permit to Drill is filed under the NOS process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,

Kathy L. Schneebeck

Kathy L. Schneebeck
Agent for Robert D. Cannon
KLS:slb
Enclosures
cc: BLM – Vernal, UT
BIA – Ft. Dushesne, UT
Robert D. Cannon

RECEIVED

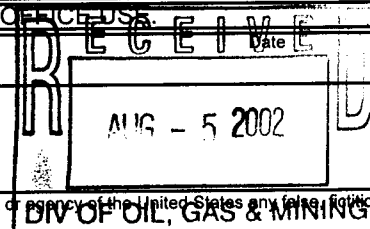
AUG 05 2002

**DIVISION OF
OIL, GAS AND MINING**

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill, or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE		5. LEASE SERIAL NO. U-0125822	
1. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME - Ute Tribe	
2. NAME OF OPERATOR Robert D. Cannon		7. IF UNIT OR CA, AGREEMENT DESIGNATION	
3. ADDRESS AND TELEPHONE NO. PO Box 2086 Rock Springs, WY 82902		8. WELL NAME AND NO. River Junction 8-33	
CONTACT: Robert D. Cannon PHONE: 307-382-9465		9. API WELL NO. 43- 047-34185	
4. LOCATION OF WELL (Footage, T, R, M, or Survey Description) NW 1/4 SE 1/4 Sec. 8 T 9S R 20E		10. FIELD AND POOL, OR EXPLORATORY AREA Natural Buttes	
11. COUNTY OR PARISH, STATE Uintah Utah			
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (start/resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Temporarily Abandon
		<input type="checkbox"/> Water Disposal	<input type="checkbox"/> Permit Extension
<p>13. Describe Proposed or completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)</p> <p>An Application for Permit to Drill (APD) for this well was submitted to Bureau of Land Management (BLM) and Utah Department of Natural Resources - Division of Oil, Gas and Mining on July 6, 2001 at a location of 2,024' FSL 1,802' FEL of Section 8. The well was approved by the Utah Division of Oil, Gas, and Mining on July 18, 2001 and given the API #43-047-34184. The Utah permit for this well expired on July 18, 2002. We understand the BLM permit for this well has not been approved; therefore, the well was never drilled. Please extend the Utah permit of this well for the maximum amount of time possible.</p> <p align="right">Approved by the Utah Division of Oil, Gas and Mining</p> <p align="right">Date: <u>08-07-02</u></p> <p align="right">By: <u>[Signature]</u></p> <p align="right">SENT TO OPERATOR <u>8-8-02</u> <u>CHD</u></p> <p>All information in the APD remains the same.</p>			
14. I hereby certify that the foregoing is true and correct			
Name (Printed/Typed) Kathy L. Schneebeck		Title: Agent for Robert D. Cannon	
Signature <u>Kathy L. Schneebeck</u>		Date: August 2, 2002	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by		Title	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office	



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
Robert D. Cannon

3a. Address
PO Box 2086, Rock Springs, WY 82902

3b. Phone No. (include area code)
307-382-9465

4. Location of Well (Report location clearly and in accordance with any State Requirements. *)

At surface 2,024' FSL 1,802' FEL NW 1/4 SE 1/4
At proposed production zone Same

14. Distance in miles and direction from nearest town or post office. *
±4 miles south of Ouray, Utah

15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) 856'

16. No. of acres in lease 80.0

18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. ± 949'

19. Proposed depth 6,000'

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4,757' GR

22. Approximate date work will start *
July 20, 2001

17. Spacing Unit dedicated to this well (40 acre)
20. BLM/BIA Bond No. on file UT-1224
23. Estimated duration 45-60 days drlg + completion

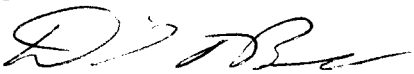
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature



Name (Printed/Typed)

David F. Banko

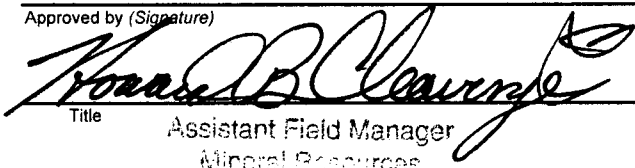
Date

July 6, 2001

Title

Agent for Robert D. Cannon

Approved by (Signature)



Name (Printed/Typed)

Office

Date

09/20/2002

Assistant Field Manager
Mineral Resources

NOTICE OF APPROVAL

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

SEP 25 2002

DIVISION OF
OIL, GAS AND MINING

U003M

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Robert D. Cannon

Well Name & Number: River Junction 8-33

API Number: 43-047-34185

Lease Number: U - 0125822

Location: NWSE Sec. 8 T. 9S R. 20E

Agreement: River Junction GR Unit

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 442 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

Robert D. Cannon (Cannon) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All Cannon personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

Cannon employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah & Ouray Indian Reservation.

Cannon employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

Cannon will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of-Way (ROW). Cannon shall receive written notification of authorization or denial of the requested modification. Without authorization, Cannon will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Cannon shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor any trenching required for the construction of the pipeline. Cannon is to inform contractors to maintain construction of the pipelines within approved 30-foot ROW.

A corridor ROW, 30 feet wide and 1087 feet long, shall be granted for the pipeline and for the access road. About 822 feet of the ROW involves upgrading an old two track road. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the road ROW may be wider where sharp curves, deep cuts and fills occur; or, where intersections with other roads are required.

Upon completion of the pertinent APD and ROWs, Cannon will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion. Upon completion of each pipeline in the corridor an adequate description of the pipeline will be filed with the Ute Tribe Energy & Minerals Department.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

At any locations where the produced water is hauled for drilling purposes, the reserve pits must have adequate liners or clay soils and the produced water may not be injected down the annulus of a well location after drilling has been completed.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

Cannon will implement "Safety and Emergency Plan" and ensure plan compliance.

Cannon shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontologic resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

Cannon employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontologic fossils. No significant cultural resources shall be disturbed.

Cannon will control noxious weeds on the well site and ROWs. Cannon will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. A fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The pipeline ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on existing and proposed access roads and pulled into place with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface. After construction is completed the disturbed area shall be contoured to blend into the natural landscape and be reseeded between September 15 and November 1 of the year following construction with perennial vegetation seed mixture provided by the BIA or Ute Tribe.

Before the site is abandoned, Cannon will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Reseed all disturbed areas to mitigate soil erosion.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 20045. Lease Serial No.
8-01258221a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____6. If Indian, Allottee or Tribe Name
UTE TRIBE

7. Unit or CA Agreement Name and No.

2. Name of Operator

ROBERT CANNON

8. Lease Name and Well No.

RIVER JUNCTION 8-33

3. Address

PO BOX 2086 ROCK SPRINGS, WY 82902

3a. Phone No. (include area code)

307-382-9465

9. API Well No.

43-047-34185

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 2024' FSL 1802' FEL NW/4 SE/4

At top prod. interval reported below

At total depth

10. Field and Pool, or Exploratory
NATURAL BUTTES11. Sec., T., R., M., on Block and
Survey or Area SEC 8 T 9S R20E12. County or Parish
UINTAH13. State
UTAH

14. Date Spudded

10/18/02

15. Date T.D. Reached

10/21/02

16. Date Completed

☐ D & A ☒ Ready to Prod.

12-1-02

17. Elevations (DF, RKB, RT, GL)*

4757 GR

18. Total Depth: MD
TVD 505019. Plug Back T.D.: MD
TVD 499020. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

THERMAL DECAY LOG

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Skts. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/2	8 5/8	24	SURFACE	317		175 G		SURFACE	
7-7/8	5 1/2	15	SURFACE	5040		720 TYPE V		SURFACE	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8	4980	-						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DOUGLAS CR	4224	5050	4952-60	3 1/8	36	
B) GRAVEL BGR						
C)						
D)						

26. Perforation Record

27. Acid Fracture Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
4952-60	50,000 LBS 15-30 SAND WATER FRAC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Pwgs. SI	Crg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Pwgs.	Crg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

RECEIVED

JAN 28 2003

DIV. OF OIL, GAS & MINING

3b. Production - Interval C

Rate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCP	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
hole size	Tbg. Press. Pwng. SI	Cvg. Press.	24 Hr. Rate	Oil BBL	Gas MCP	Water BBL	Gas : Oil Ratio	Well Status	
			→						

3c. Production - Interval D

Rate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCP	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
hole size	Tbg. Press. Pwng. SI	Cvg. Press.	24 Hr. Rate	Oil BBL	Gas MCP	Water BBL	Gas : Oil Ratio	Well Status	
			→						WAITING ON PRODUCTION FACILITY

3. Disposition of Gas (Sold, used for fuel, vented, etc.)

FUEL

3. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

DOUGLAS CREEK 4224

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
DOUGLAS CR	4224	-	SAND & SHALE		
DOUGLAS CR	4948	4962	SAND		
	4744	4754	SAND		
	4292	4296	SAND		
	4299	4308	SAND		

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) ROBERT CANNON

Title OPERATOR

Signature

Robert Cannon

Date 11/20/02

Under 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

JAN 28 2003

DIV. OF OIL, GAS & MINING

RECEIVED

JAN 29 2003

**ROBERT CANNON
PO BOX 2086
348 TURRETT DRIVE
ROCK SPRINGS, WYOMING 82902
307-382-9465
FAX: 307-362-7220**

DATE JANUARY 28, 2003

COVER PAGE AND THE FOLLOWING 4 PAGES

**TO: CAROL
UTAH OIL & GAS COMMISSION**

**FROM: ROBERT CANNON OPERATOR
MARLEEN SHUSS OFFICE MANAGER**

RIVER JUNCTION 8-33 INFORMATION

THANK YOU

FAX NUMBER: 801-359-3940

**RECEIVED
JAN 28 2003
DIV. OF OIL, GAS & MINING**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: ROBERT CANNONOperator Account Number: N 1820Address: PO BOX 2086city ROCK SPRINGSstate WYOMING zip 82902Phone Number: 307-382-9465

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43 047 34185	RIVER JUNCTION 8-33		NWSE	8	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	1455	10/18/02		1-29-03		
Comments:							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

ROBERT CANNON

Name (Please Print)



Signature

OPERATOR

1/28/03

Title

Date

(5/2000)

RECEIVED

JAN 28 2003

DIV. OF OIL, GAS & MINING

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

ROBERT CANNON

3. Address and Telephone No.

PO BOX 2086 ROCK SPRINGS, WY 82902

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 8 T 9S R 20E

5. Lease Designation and Serial No.

U-0125822

6. If Indian, Allottee or Tribe Name

UTE TRIBE

7. If Unit or CA, Agreement Designation

8. Well Name and No.

RIVER JUNCTION 8-33

9. API Well No.

43-047-34185

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH UTAH

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☐ Other☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1/10/03 PERFORATED 4744-54 PUMPED 12 BBL KCL H2O NO ENTRY

1/13/03 PERFORATED 4292-96
4299-43061/14/03 SAND FRAC 50,000 LBS
COMMINGLE ALL 3 ZONES PUMP & TEST

PRODUCTION 50 BBLs PER DAY

RECEIVED

JAN 28 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed

Title

OPERATOR

Date 1/28/03

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

JAN 28 2003

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
ROBERT CANNON

3. Address and Telephone No.
PO BOX 2086 ROCK SPRINGS, WY 82902

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 8 T 9S R 20E

5. Lease Designation and Serial No.
U-0125822

6. If Indian, Allottee or Tribe Name

UTE TRIBE

7. If Unit or CA, Agreement Designation

8. Well Name and No.

RIVER JUNCTION 8-33

9. API Well No.

43-047-34185

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH UTAH

12. **CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1/10/03 PERFORATED 4744-54 PUMPED 12 BBL KCL H2O NO ENTRY

**1/13/03 PERFORATED 4292-96
4299-4306**

**1/14/03 SAND FRAC 50,000 LBS
COMMINGLE ALL 3 ZONES PUMP & TEST**

PRODUCTION 50 BBLS PER DAY

RECEIVED

JAN 31 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed *Robert Cannon*

Title **OPERATOR**

Date **1/28/03**

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instruction on Reverse Side**

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
II-0125822

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other _____
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resrv.. _____
Other _____

2. Name of Operator

ROBERT CANNON

3. Address

PO BOX 2086 ROCK SPRINGS, WY 82902

3a. Phone No. (include area code)

307-382-9465

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 2024' FSL 1802' FEL NW/4 SE/4

At top prod. interval reported below

At total depth

14. Date Spudded

10/18/02

15. Date T.D. Reached

10/21/02

16. Date Completed

☐ D & A ☒ Ready to Prod.

18 Total Depth: MD

MD
TVD 5050

19. Plug Back T.D.: MD

MD
TVD 4990

20.	Depth Bridge Plug Set:
-----	------------------------

MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

✓ THERMAL DECAY LOG - Rec 2-3-03

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (*Report all strings set in well*)

[illegible]

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8	4980	-						

25. Producing Intervals

26. Perforation Record

Producing Intervals		Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DOUGLAS CR		4224	5050	4952-60	3 1/8	36	
B)							
C)							
D)							

27. Acid Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material			JAN 31 2003
4952-60	50,000 LBS	15-30 SAND	WATER FRAC	
				DIV. OF OIL, GAS & MINING

RECEIVED

~~JAN 31 2003~~

~~DIV. OF OIL, GAS & MINING~~

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flow	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

3b. Production - Interval C

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

3c. Production - Interval D

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	WAITING ON PRODUCTION FACILITY

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

FUEL

1. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

DOUGLAS CREEK 4224

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
DOUGLAS CR	4224	-	SAND & SHALE		
DOUGLAS CR	4948	4962	SAND		
	4744	4754	SAND		
	4292	4296	SAND		
	4299	4308	SAND		

RECEIVED

JAN 31 2003

DIV. OF OIL, GAS & MINING

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) ROBERT CANNON

Title OPERATOR

Signature

Robert Cannon

Date 11/20/02

Under 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED FORM 6

JAN 31 2003

ENTITY ACTION FORM

DIV. OF OIL, GAS & MINING

Operator: ROBERT CANNON
Address: PO BOX 2086
city ROCK SPRINGS
state WYOMING zip 82902

Operator Account Number: N 1820

Phone Number: 307-382-9465

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43 047 34185	RIVER JUNCTION 8-33	NWSE	8	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B	99999		10/18/02			
Comments:						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

ROBERT CANNON

Name (Please Print)



Signature

OPERATOR

Title

1/28/03

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
U-0125822

6. If Indian, Allottee or Tribe Name
Ute Tribe

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Robert Cannon

8. Well Name and No.
River Junction 8-24-33

9. API Well No.
43-047-34185

3a. Address
PO Box 2086
Rock Springs, Wyoming 82902

3b. Phone No. (include area code)
307-382-9465

10. Field and Pool or Exploratory Area
Natural Buttes

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2024' FSL 1802' FEL NW/4 SE/4

93 20E 8

11. County or Parish, State
Uintah Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

1. Pull Tubing

Run tubing with scraper, circulate hole with hot water

2 Run CICR TO 4200' PERFS 4952-4960

MIX AND PUMP 100 SXS CLASS G CEMENT TO SQUEEZE PERFS LEAVE 25' CEMENT ON TOP OF CICR

3 PULL TUBING

4 PERFORATE 50' BELOW SURFACE PIPE

IE:359' SURFACE PIPE SET AT 300'

5 CIRCULATE CLASS G CEMENT TO SURFACE

6 CUT WELL HEAD OFF AND INSTALL DRY HOLE MARKER

COPY SENT TO OPERATOR

Date: 6-6-2012

Initials: KS

RECEIVED

JUN 01 2012

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title operator

Signature

Robert Cannon

Date 5-30-2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title Pet. Eng.

Date 6/5/2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOGM

Federal Approval Of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Magna Energy Services, LLC
17509 County Road 14,
Ft. Morgan, Colorado 80701
(970)-867-9007 or (970)-867-8374 (Fax)

Job Log

RECEIVED

SEP 04 2013

DIV. OF OIL, GAS & MINING

Date: 9-21-12

Operator: Robert Cannon Oil and Gas

Well name: **River Junction 8-33** *APL# 4304434185*

Location: Uintah County, Utah

Legals: ~~SESW~~ *Wuse* **Section 8, Township 9 South, Range 20 East**

MIRU, Blew well down, Hot oiled well, Unseated pump, LD rods
Hot oiled well, NDWH, NUBOP, Released tubing anchor, TOH, PU bit and scraper, TTH to 4,225'
Hot oiled well, TOH, PU CIRC, TTH (CIRC set itself accidentally at 1,650', BLM orders to drill out)
Stung out of CIRC, TOH, PU Bit and drill collars, TTH to CIRC, RU Power swivel
Drill out CIRC, TTH to 1,800', TOH and LD drill collars, TTH with bit to 4,200'
Pumped 35 sxs of cement, Displaced with 23 bbl. of water, TOH to 3,000', Reverse Circulate, WOC
TTH and tag TOC at 4,170', Pressure tested casing to 500 psi, Pressure held, TOH tubing
RU wireline, TTH and perf at 350', Could not establish rate into perms, RD wireline
NDBOP, TTH to 408', Pumped 60 sxs of cement to surface, TOH and WOC
Dig out and cut off wellhead, TTH with 1" down annulus to 20' (tagged cement) pumped 15 sxs to surface
Welded on information plate, Back filled wellbore, cleaned location
RDMO

*** All cement is 15.8# Class "G" neat cement ***

Cementing contractor: Magna Energy Services, LLC

Cementing contractor supervisor: Adam Chastain

Operator supervisor: Allen Meredith/Robert Cannon

BLM Representative:

Wireline contractor: The Perforators, LLC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 04 2013

FORM APPROVED
USBR No. 1084-0137
Expires October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to operate on GAS & MINING
abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
U 0125822
6. If Indian, Allottee or Tribe Name
Use Tribe

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Robert Cannon

3a. Address
PO Box 3028
Park Springs, Wyoming 82902

3b. Phone No. (include area code)
307-382-9485

7. If Unit of U.S.A. Agreement, Name and/or No.

8. Well Name and No.
River Junction 8-24 33

9. API Well No.
43-047-34165

10. Field and Pool or Exploratory Area
Natural Buttes

4. Location of Well (Parage, Sec., T.R. M., or Survey Description)
93 20E 8

11. County or Parish, State
Utah Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

<input type="checkbox"/> Abandon	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Restart)	<input type="checkbox"/> Well Shut-Off
<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Pressure Test	<input type="checkbox"/> Rehabilitation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recombine	<input type="checkbox"/> Other
<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a complete abandonment or recomplate in a new interval, a Form 3160-1 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

1. Pull Tubing
Run tubing with scraper, circulate hole with hot water
2. RUN CIRC TO 4200' PERFS 4952-4980
MIX AND PUMP 100 SXS CLASS G CEMENT TO SQUEEZE PERFS LEAVE 25' CEMENT ON TOP OF CIRC
3. PULL TUBING
4. PERFORATE 50' BELOW SURFACE PIPE
1E:35B' SURFACE PIPE SET AT 300'
5. CIRCULATE CLASS G CEMENT TO SURFACE
6. CUT WELL HEAD OFF AND INSTALL DRY HOLE MARKER

RECEIVED

MAY 31 2012

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title operator

Signature

Robert Cannon

Date

5-30-2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

Pet. Eng.

Date

6/5/2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

DOG m

Federal Approval of This
Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 42 U.S.C. Section 12101, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

(Instructions on page 2)

Magna Energy Services, LLC
17509 County Road 14,
Ft. Morgan, Colorado 80701
(970)-867-9007 or (970)-867-8374 (Fax)

Job Log

RECEIVED

SEP 04 2013

DIV. OF OIL, GAS & MINING

Date: 9-21-12

Operator: Robert Cannon Oil and Gas

Well name: **River Junction 8-33** *APL# 4304434185*

Location: Uintah County, Utah

Legals: ~~SESW~~ *Wuse* **Section 8, Township 9 South, Range 20 East**

MIRU, Blew well down, Hot oiled well, Unseated pump, LD rods
Hot oiled well, NDWH, NUBOP, Released tubing anchor, TOH, PU bit and scraper, TTH to 4,225'
Hot oiled well, TOH, PU CIRC, TTH (CIRC set itself accidentally at 1,650', BLM orders to drill out)
Stung out of CIRC, TOH, PU Bit and drill collars, TTH to CIRC, RU Power swivel
Drill out CIRC, TTH to 1,800', TOH and LD drill collars, TTH with bit to 4,200'
Pumped 35 sxs of cement, Displaced with 23 bbl. of water, TOH to 3,000', Reverse Circulate, WOC
TTH and tag TOC at 4,170', Pressure tested casing to 500 psi, Pressure held, TOH tubing
RU wireline, TTH and perf at 350', Could not establish rate into perms, RD wireline
NDBOP, TTH to 408', Pumped 60 sxs of cement to surface, TOH and WOC
Dig out and cut off wellhead, TTH with 1" down annulus to 20' (tagged cement) pumped 15 sxs to surface
Welded on information plate, Back filled wellbore, cleaned location
RDMO

*** All cement is 15.8# Class "G" neat cement ***

Cementing contractor: Magna Energy Services, LLC

Cementing contractor supervisor: Adam Chastain

Operator supervisor: Allen Meredith/Robert Cannon

BLM Representative:

Wireline contractor: The Perforators, LLC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 04 2013

FORM APPROVED
USBR No. 1084-0137
Expires October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to operate on an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
U 0125822
6. If Indian, Allottee or Tribe Name
Use Tribe

SUBMIT IN TRIPPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Robert Cannon

3a. Address
PO Box 3028
Park Springs, Wyoming 82902

3b. Phone No. (include area code)
307-382-9485

7. If Unit of U.A.A. agreement, Name and/or No.

8. Well Name and No.
River Junction 8-24 33

9. API Well No.
43-047-34165

10. Field and Pool or Exploratory Area
Natural Buttes

4. Location of Well (Parage, Sec., T.R. M., or Survey Description)
93 20E 8

11. County or Parish, State
Utah Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandon ☐ Deepen ☐ Production (Start/Restart) ☐ Well Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Rehabilitation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recombine ☐ Other
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a complete abandonment or recomplate in a new interval, a Form 3160-1 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

1. Pull Tubing
Run tubing with scraper, circulate hole with hot water
2. RUN CIRC TO 4200' PERFS 4952-4980
MIX AND PUMP 100 SXS CLASS G CEMENT TO SQUEEZE PERFS LEAVE 25' CEMENT ON TOP OF CIRC
3. PULL TUBING
4. PERFORATE 50' BELOW SURFACE PIPE
1E:35B' SURFACE PIPE SET AT 300'
5. CIRCULATE CLASS G CEMENT TO SURFACE
6. CUT WELL HEAD OFF AND INSTALL DRY HOLE MARKER

RECEIVED

MAY 31 2012

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title operator

Signature Robert Cannon

Date 5-30-2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Pet. Eng.

Date 6/5/2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOG m

Federal Approval of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

(Instructions on page 2)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-0125822
2. NAME OF OPERATOR: ROBERT CANNON		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
3. ADDRESS OF OPERATOR: PO BOX 2086 CITY ROCK SPRINGS STATE WY ZIP 82902		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: UINTAH		8. WELL NAME and NUMBER: RIVER JUNCTION 8-33
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 8 9S 20E X		9. API NUMBER: 4304731185 4304734185
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTE

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

SEE ATTACHED MAGNA ENERGY SERVICES.LLC JOB LOG 8-33

NAME (PLEASE PRINT) ROBERT CANNON	TITLE OPERATOR/OWNER
SIGNATURE <i>Robert Cannon</i>	DATE 10/15/2013

(This space for State use only)

RECEIVED

OCT 23 2013

DIV. OF OIL, GAS & MINING

Magna Energy Services, LLC
17509 County Road 14,
Ft. Morgan, Colorado 80701
(970)-867-9007 or (970)-867-8374 (Fax)

Job Log

Date: 9-21-12

Operator: Robert Cannon Oil and Gas

Well name: River Junction 8-33

Location: Uintah County, Utah

Legals: SESW, Section 8, Township 9 South, Range 20 East

MIRU, Blew well down, Hot oiled well, Unseated pump, LD rods

Hot oiled well, NDWH, NUBOP, Released tubing anchor, TOH, PU bit and scraper, TIH to 4,225'

Hot oiled well, TOH, PU CICR, TIH (CICR set itself accidentally at 1,650', BLM orders to drill out)

Stung out of CICR, TOH, PU Bit and drill collars, TIH to CICR, RU Power swivel

Drill out CICR, TIH to 1,800', TOH and LD drill collars, TIH with bit to 4,200'

Pumped 35 sxs of cement, Displaced with 23 bbl. of water, TOH to 3,000', Reverse Circulate, WOC

TIH and tag TOC at 4,170', Pressure tested casing to 500 psi, Pressure held, TOH tubing

RU wireline, TIH and perf at 350', Could not establish rate into perfs, RD wireline

NDBOP, TIH to 408', Pumped 60 sxs of cement to surface, TOH and WOC

Dig out and cut off wellhead, TIH with 1" down annulus to 20' (tagged cement) pumped 15 sxs to surface

Welded on information plate, Back filled wellbore, cleaned location

RDMO

*** All cement is 15.8# Class "G" neat cement ***

Cementing contractor: Magna Energy Services, LLC

Cementing contractor supervisor: Adam Chastain

Operator supervisor: Allen Meredith/Robert Cannon

BLM Representative:

Wireline contractor: The Perforators, LLC

RECEIVED

OCT 23 2013

DIV. OF OIL, GAS & MINING

INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - reperforating the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

RECEIVED

OCT 23 2013

DIV.OF OIL, GAS & MINING